



Report of the Congressional Committees Investigating the

Iran-Contra Affair

Appendix B: Volume 23
Depositions

Daniel K. Inouye, *Chairman*,
Senate Select Committee
Lee H. Hamilton, *Chairman*,
House Select Committee

U.S. Senate Select Committee
On Secret Military Assistance to Iran
And the Nicaraguan Opposition

U.S. House of Representatives
Select Committee to Investigate
Covert Arms Transactions with Iran

November 13, 1987.—Committed to the Committee of the Whole House
on the State of the Union and ordered to be printed.

November 17, 1987.—Ordered to be printed.

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United States Senate

SELECT COMMITTEE ON SECRET MILITARY
ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION
WASHINGTON, DC 20510-6480

March 1, 1988


Honorable John C. Stennis
President pro tempore
United States Senate
Washington, D.C.

Dear Mr. President:

We have the pleasure to transmit herewith, pursuant to Senate Resolution 23, Appendix B to the final Report of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. We will submit such other volumes of Appendices to the Report as are authorized and as they become available.

Sincerely,


Daniel K. Inouye
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(202) 225-7902

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The Honorable Jim Wright
Speaker of the House
U. S. Capitol
Washington, D. C. 20515

Dear Mr. Speaker:

Pursuant to the provisions of House Resolutions 12 and 330 and House Concurrent Resolution 195, 100th Congress, 1st Session, I transmit herewith Appendix B to the Report of the Congressional Committees Investigating the Iran-Contra Affair, House Report No. 100-433, 100th Congress, 1st Session.

Appendix B consists of the depositions taken by the Select Committees during the investigation. The contents of Appendix B have been declassified for release to the public.

Sincerely yours,


Lee H. Hamilton
Chairman

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Contents

Volume 23

Preface	XXI
Richard, Mark M	1
Richardson, John, Jr	211
Robelo, Alfonso	461
Robinette, Glenn A	564
Rodriguez, Felix I	755
Roseman, David	811
Rosenblatt, William	883
Royer, Larry	995
Rudd, Glenn A	1183
Rudd, Glenn A. (See Henry Gaffney)	

Depositions

Volume 1

Airline Proprietary Project Officer.
Alvarez, Francisco J.
Allen, Charles.
Arcos, Cresencio.

Volume 2

Armitage, Richard.
Artiano, Martin L.
Associate DDO (CIA).
Baker, James A., III.
Barbules, Lt. Gen. Peter.
Barnett, Ana.
Bartlett, Linda June.
Bastian, James H.
Brady, Nicholas F.
Brown, Arthur E., Jr.

Volume 3

Byrne, Phyllis M.
Calero, Adolfo.
Castillo, Tomas ("W").
Cave, George W.
C/CATF.

Volume 4

Channell, Carl R.
Chapman, John R. (With Billy Ray Reyer).
Chatham, Benjamin P.
CIA Air Branch Chief.
CIA Air Branch Deputy Chief.
CIA Air Branch Subordinate.
CIA Chief.
CIA Communicator.
CIA Identity "A".

Volume 5

CIA Officer.
Clagett, C. Thomas, Jr.
Clark, Alfred (With Gregory Zink).
Clarke, George.
Clarridge, Dewey R.
Cline, Ray S.
C/NE.
Cohen, Harold G.

Volume 6

Collier, George E.
Cole, Gary.
Communications Officer Headquarters, CIA.
Conrad, Daniel L.

Volume 7

Cooper, Charles J.
Coors, Joseph.
Corbin, Joan.
Corr, Edwin G.
Coward, John C.
Coy, Craig P.
Crawford, Iain T.R.

Volume 8

Crawford, Susan.
Crowe, Adm. William J.
Currier, Kevin W.
DCM, Country 15.
DEA Agent 1.
DEA Agent 2.
DEA Agent 3.
deGraffenreid, Kenneth.
de la Torre, Hugo.
Deputy Chief "DC".

Volume 9

Duemling, Robert W.
DIA Major.
Dietel, J. Edwin.
Dowling, Father Thomas.
Dutton, Robert C.
Earl, Robert.

Volume 10

Farber, Jacob.
Feldman, Jeffrey.
Fischer, David C.
Floor, Emanuel A.
Former CIA Officer.
Fraser, Donald.
Fraser, Edie.
Fuller, Craig L.

Volume 11

Furmark, Roy.
Gadd, Richard.
Gaffney, Henry.
Gaffney, Henry (With Glenn A. Rudd).
Galvin, Gen. John R.
Gantt, Florence.
Garwood, Ellen Clayton.
Gast, Lt. Gen. Philip C.
Gates, Robert M.
Glanz, Anne.

Volume 12

George, Clair.
Godard, Ronald D.
Godson, Roy S.
Golden, William.
Gomez, Francis D.
Goodman, Adam.
Gorman, Paul F.
Graham, Daniel O.
Gregg, Donald P.
Gregorie, Richard D.
Guillen, Adriana.

Volume 13

Hakim, Albert.

Volume 14

Hall, Wilma.
Hasenfus, Eugene.
Hirtle, Jonathan J.
Hooper, Bruce.

Hunt, Nelson Bunker.
Ikle, Fred C.
Jensen, D. Lowell.
Juchniewicz, Edward S.
Kagan, Robert W.
Keel, Alton G.
Kellner, Leon B.
Kelly, John H.
Kiszynski, George.

Volume 15

Koch, Noel C.
Kuykendall, Dan H.
Langton, William G.
Lawn, John C.
Leachman, Chris J., Jr.
Ledeen, Michael A.

Volume 16

Leiwant, David O.
Lilac, Robert H.
Lincoln, Col. James B.
Littledale, Krishna S.
McDonald, John William.
McFarlane, Robert C.
McKay, Lt. Col. John C.
McLaughlin, Jane E.

Volume 17

McMahon, John N.
McMahon, Stephen.
McNeil, Frank.
Makowka, Bernard.
Marostica, Don.
Marsh, John.
Mason, Robert H.

Volume 18

Meese, Edwin III.
Melton, Richard H.
Merchant, Brian T.
Meo, Philip H.
Miller, Arthur J.
Miller, Henry S.
Miller, Johnathan.

Volume 19

Miller, Richard R.

Volume 20

Motley, Langhorne A.
Mulligan, David P.
Nagy, Alex G.
Napier, Shirley A.
Newington, Barbara.
North, Oliver L.
O'Boyle, William B.
Osborne, Duncan.
Owen, Robert W.
Pena, Richard.
Pickering, Thomas.
Poindexter, John M.

Volume 21

Posey, Thomas V.
Powell, Gen. Colin L.
Price, Charles H., II.
Proprietary Manager.
Proprietary Pilot.
Radzimski, James R.
Ramsey, John W.
Ransom, David M.

Volume 22

Raymond, Walter, Jr.
Regan, Donald T.
Reich, Otto J.
Revell, Oliver B.
Reyer, Billy Ray (See John Chapman).
Reynolds, William B.

Volume 23

Richard, Mark M.
Richardson, John, Jr.
Robelo, Alfonso.
Robinette, Glenn A.
Rodriguez, Felix I.
Roseman, David.

Rosenblatt, William.
Royer, Larry.
Rudd, Glenn A.
Rudd, Glenn A. (See Henry Gaffney).

Volume 24

Rugg, John J.
Russo, Vincent M.
Sanchez, Nestor.
Scharf, Lawrence.
Schweitzer, Robert L.
Sciaroni, Bretton G.
Secord, Richard V.

Volume 25

Shackley, Theodore G.
Sigur, Gaston J.
Simpson, Major C.
Sinclair, Thomas C.
Singlaub, John K.

Volume 26

Slease, Clyde H., III.
Smith, Clifton.
Sofaer, Abraham D.
Steele, Col. James J.
Taft, William H., IV.
Tashiro, Jack T.
Teicher, Howard.
Thompson, Paul.
Tillman, Jacqueline.

Volume 27

Thurman, Gen. Maxwell.
Trott, Stephen S.
Tull, James L.
Vessey, John.
Walker, William G.
Watson, Samuel J., III.
Weinberger, Caspar.
Weld, William.
Wickham, John.
Zink, Gregory (See Alfred Clark).

Preface

The House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, under authority contained in the resolutions establishing them (H. Res. 12 and S. Res. 23, respectively), deposed approximately 290 individuals over the course of their 10-month joint investigation.

The use of depositions enabled the Select Committees to take sworn responses to specific interrogatories, and thereby to obtain information under oath for the written record and develop lines of inquiry for the public hearings.

Select Committees Members and staff counsel, including House minority counsel, determined who would be deposed, then sought subpoenas from the Chairmen of the Select Committees, when appropriate, to compel the individuals to appear in nonpublic sessions for questioning under oath. Many deponents received separate subpoenas ordering them to produce certain written documents.

Members and staff traveled throughout the United States and abroad to meet with deponents. All depositions were stenographically reported or tape-recorded and later transcribed and duly authenticated. Deponents had the right to review their statements after transcription and to suggest factual and technical corrections to the Select Committees.

At the depositions, deponents could assert their fifth amendment privilege to avoid self-incrimination by refusing to answer specific questions. They were also entitled to legal representation. Most Federal Government deponents were represented by lawyers from their agency; the majority of private individuals retained their own counsel.

The Select Committees, after obtaining the requisite court orders, granted limited or "use" immunity to about 20 deponents. Such immunity means that, while a deposed individual could no longer invoke the fifth amendment to avoid answering a question, his or her compelled responses—or leads or collateral evidence based on those responses—could not be used in any subsequent criminal prosecution of that individual, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with the court order.

An executive branch Declassification Committee, located in the White House, assisted the Committee by reviewing each page of deposition transcript and some exhibits and identifying classified matter relating to national security. Some depositions were not reviewed or could not be declassified for security reasons.

In addition, members of the House Select Committee staff corrected obvious typographical errors by hand and deleted personal and proprietary information not considered germane to the investigation.

In these *Depositions* volumes, some of the deposition transcripts are followed by exhibits. The exhibits—documentary evidence—were developed by Select Committees' staff in the course of the Select Committees' investigation or were provided by the deponent in response to a subpoena. In some cases, where the number of exhibits was very large, the House Select Committee staff chose for inclusion in the *Depositions* volumes selected documents. All of the original

exhibits are stored with the rest of the Select Committees' documents with the National Archives and Records Administration and are available for public inspection subject to the respective rules of the House and Senate.

The 27 volumes of the *Depositions* appendix, totalling more than 30,000 pages, consist of photocopies of declassified, hand-corrected typewritten transcripts and declassified exhibits. Deponents appear in alphabetical order.

Publications of the Senate and House Select Committees

Report of the Congressional Committees Investigating the Iran-Contra Affair,
1 volume, 1987.

Appendix A: *Source Documents*, 2 volumes, 1988.

Appendix B: *Depositions*, 27 volumes, 1988.

Appendix C: *Chronology of Events*, 1 volume, 1988.

Appendix D: *Testimonial Chronology*, 3 volumes, 1988.

All publications of the Select Committees are available from the U.S.
Government Printing Office.

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1 SELECT COMMITTEE TO INVESTIGATE COVERT

2 ARMS TRANSACTIONS WITH IRAN

3 U.S. HOUSE OF REPRESENTATIVES

4 AND

5 SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE

6 TO IRAN AND THE NICARAGUAN OPPOSITION

7 UNITED STATES SENATE

8 - - -

9 Wednesday, August 19, 1987,

10 Washington, D.C.

11 Deposition of MARK M. RICHARD, taken on behalf of the

12 Select Committees above cited, pursuant to notice, commencing

13 at 10:15 a.m. in Room 901 of the Hart Senate Office Building,

14 before William D. McAllister, a notary public in and for the

15 District of Columbia, when were present:

16 For the Senate Select Committee:

17 W. THOMAS MCGOUGH, JR.

18 Associate Counsel

19 DAVE FAULKNER

20 For the House Select Committee:

21 PAMELA NAUGHTON

22 Assistant Counsel

23 ROBERT W. GENZMAN

24 Assistant Minority Counsel

Partially Declassified/Released on 1-23-88
under provisions of E.O. 12356
by N. Menan, National Security Council

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C O N T E N T S

<u>Examination by counsel for</u>	<u>Page</u>
House Select Committee (Ms. Naughton)	12, 21, 61, 74, 85,
89, 94, 113, 117, 119, 122, 144, 153, 156, 162, 170, 179, 191	
Senate Select Committee (Mr. McGough)	3, 15, 23, 62, 75,
86, 90, 102, 115, 118, 120, 133, 147, 155, 159, 166, 173, 189	

EXHIBITS

<u>Richard Exhibits</u>	<u>Marked</u>
1	48
2	53
3	67
4	81
5	102
6	104
7	132
8	140

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3

PROCEEDINGS

1

2 Whereupon,

3

4 MARK M. RICHARD was called as a witness and, after
5 having been first duly sworn, was examined and testified as
6 follows:

6

7 MR. MCGOUGH: Let's go on the record. Let the
8 reflect that the witness has been sworn.

8

9 Mr. Richard, I'm Tom McGough from the Senate Select
10 Committee. Pam Naughton will be here in a moment. Dave
11 Faulkner is an investigator with the Senate Select Committee.
12 If there are any questions that I ask you that you don't
13 understand or would like me to clarify, please just stop me
14 and I'll be glad to do that.

14

EXAMINATION BY COUNSEL FOR THE SENATE SELECT

15

COMMITTEE

16

BY MR. MCGOUGH:

17

18 Q I'd like to start, if I could, by getting a little
19 bit of background. But first let me ask you if you'd state
20 your full name and current title.

20

21 A Mark M. Richard. I am deputy assistant attorney
22 general in the Criminal Division, Department of Justice.

22

23 Q What is your business address and business telephone
24 number?

24

A Department of Justice, 10th and Constitution

25

Avenues, N.W., Washington, D.C. 20530. Phone number, 633-2333.

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1 Q In your current position, what are your respon-
2 sibilities?

3 A I oversee three components within the Criminal
4 Division. Those three are the Internal Security Section, the
5 Office of International Affairs, and the Office of Special
6 Investigations, which is a component which focuses on
7 identifying and initiating legal action against ~~the~~ ^{MR} Nazis
8 living in the United States.

9 Q Against--

10 A Nazis.

11 Q Are you the only deputy, or are there other
12 deputies, Mr. Richard?

13 A There are a total of four deputies to the assistant
14 attorney general. Two of the deputies are career deputies,
15 and two are non-career deputies.

16 Q Who are the deputies at the present time?

17 A John C. Keeney is the senior deputy--he is a career
18 deputy; myself; Victoria Toensing--T-O-E-N-S-I-N-G; and Joe
19 Whitley. The latter two are non-career deputies.

20 Q When did you graduate from law school?

21 A In 1967.

22 Q And from what law school?

23 A Brooklyn Law School in Brooklyn, New York.

24 Q I understand that you had joined the Department of
25 Justice in 1967.

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1 A That's correct--under the honor graduate program.

2 I have been with the department ever since.

3 Q In what position did you join the department?

4 A As a trial attorney.

5 Q In the Criminal Division?

6 A That's correct. I was assigned to the Fraud

7 Section as a trial attorney and essentially remained with the

8 section until 1976, when I was appointed chief of the Fraud

9 Section. And then in 1979 I assumed my current position.

10 Q Could you describe generally the duties of a trial
11 attorney in the Criminal Fraud Division?

12 A Well, at the time I had specific cases assigned to
13 me in various locations around the country, working alone or
14 with assistant U.S. attorneys out of particular U.S. Attorneys
15 Offices to develop investigations and prosecutions of various
16 white collar offenses falling within the jurisdiction of the
17 Fraud Section and to take these cases to completion through
18 grand jury and trial.

19 Q And then you became chief of that section in 1976,
20 is that correct?

21 A That's correct. In approximately 1972, following
22 several details of varying duration to U.S. Attorneys Offices
23 in Washington and in Louisiana, I was made chief of a newly
24 created major violators unit within the Fraud Section which
25 focused on international white collar offenders.

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1 In 1975 I was detailed to the then-deputy attorney
 2 general's ^{mk}office--deputy attorney general, excuse me--Harold
 3 Tyler, where I served for approximately six months as ^{mk}his ^{the}
 4 staff ^{for}director to a newly created white collar crime committee
 5 headed by Judge Tyler.

6 And then in 1976 I was appointed to the position of
 7 chief of the Fraud Section.

8 Q What was the next professional step?

9 A In 1979, the then-assistant attorney general in
 10 charge of the Criminal Division, Phil Hyman, elevated me to
 11 my current position, although I did not at that time neces-
 12 sarily have the same components under my supervision.

13 Q How long have your components remained as they are
 14 now? How long have they been like that?

15 A Assigned to me or as--

16 Q No. How long have you been handling those three
 17 components?

18 A I've handled our Office of Special Investigations
 19 since its creation in 1979. With respect to the Internal
 20 Security Section, I believe I assumed responsibility for its
 21 oversight following the departure of Robert Keek, who I
 22 believe ^{mk}left ⁱⁿ 1980 [sic]. I have ⁱⁿoversight responsibilities
 23 since that time.

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24 As for the Office of International Affairs, I think
 25 if my memory serves me correct, in 1979 when it was created by

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1 Mr. Hyman, I assumed responsibility for its oversight and
2 remained responsible for their operations until, I believe,
3 approximately 1982 when Mr. Jensen, who was then the assistant
4 attorney general, assigned responsibility for that office to
5 then-Deputy Assistant Attorney General Roger Olsen.

6 At that period, I also was responsible for the
7 oversight of our General Litigation Section, primarily
8 because at that time we were functioning only, I think, with
9 three deputies rather than the current four. During this
10 same period I had additional oversight responsibilities for
11 our Narcotics Section, our Office of Administration, and I
12 think that's about it.

13 Q Let's take the three over which--were just dis-
14 cussed--Special Investigations, Internal Security, and
15 International Affairs. Could you tell me what the jurisdic-
16 tion of each of those was? Start with Special Investigations.

17 A As I said, they are responsible for identifying and
18 initiating legal action against former Nazis who are residing
19 in this country illegally.

20 Q Is that their only responsibility?

21 A Essentially, although they have from time to time
22 been tasked by the attorney general or the deputy attorney
23 general with related activities, such as focusing on the
24 question of U.S. government involvement in hiding Nazis after
25 World War II, such as the Klaus Barbie matter. We've also

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1 been tasked to try to locate and establish whether Joseph
2 Mengele is alive. And those types of assignments have come
3 from time to time to the OSI operation.

4 Q Let's turn to Internal Security. What's its area?

5 A Internal Security is responsible for overseeing the
6 administration of various internal security statutes,
7 including those relating to espionage, export control laws,
8 unauthorized disclosures of classified information, and the
9 operation of the Classified Information Procedures Act--the
10 so-called CIPA. Those are the primary responsibilities of
11 our Internal Security Section.

12 Q And in International Affairs?

13 A International Affairs is a support organization
14 that is primarily responsible for securing evidence abroad
15 for use by both federal and state prosecutors, arranging for
16 the extradition of fugitives to this country and handling the
17 extradition requests of treaty partners around the world,
18 negotiating treaties for extradition, mutual legal assistance
19 as well as prisoner transfers. Essentially, those are the
20 primary responsibilities of our Office of International
21 Affairs.

22 Q As a general matter, does your jurisdiction over
23 Neutrality Act matters fall? UNCLASSIFIED

24 A Well, specifically the Internal Security Section.

25 Q And how about Antideficiency Act matters? And the

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1 subset of that may be Boland Amendment sorts of pronounci-
 2 ations.

3 A I'm not sure those particular statutes have been
 4 assigned, if you will. Certainly the Boland Act would not be
 5 nominally assigned because of the lack of criminal penalties.
 6 The Antideficiency Act, if I'm not mistaken, has some
 7 regulatory penalties, but to my understanding its administra-
 8 tion has largely involved, if you will, questions about its
 9 import--largely involved only the Civil Division to deal
 10 with. But there is a chart, if you will, of specific
 11 assignments. I would refer you to that chart.

12 Q That would be the U.S. Attorneys manual?

13 What I'd like to do is run down some names and ask
 14 you about your first contact with some of these people and
 15 also the scope of your contact, if any. Some of the people
 16 you may not have any contact with. The first would be Oliver
 17 North. In your service with the federal had--what, if any,
 18 contact, did you have with him?

19 A I recall two occasions where I've had contact with
 20 him directly. One related to an effort to clear some
 21 proposed anti-terrorist legislation that we at the department
 22 had been very interested in. And a lot of this was post-Ed
 23 Wilson inquiry. We had, as a result of our experiences in
 24 the Wilson matter, come up with a variety of legislative
 25 proposals which we were interested in seeing adopted by the

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1 administration and submitted to Congress for action.

2 I would place that contact in early '84, and it
3 involved an attempt to resolve a dispute which had emerged
4 between us and the CIA with respect to one particular
5 proposal. I think it was four or five specific legislative
6 proposals that we had prepared, and one of them was causing
7 particular concern to the CIA.

8 MS. NAUGHTON: Can we get more specific on that?
9 Was that the provision to make it a crime to plot to kill
10 someone outside the United States?

11 MR. RICHARD: That's correct. This arose from our
12 experience, like I said, in the Wilson case. We had a series
13 of individuals in the United States who were planning to
14 assassinate--in that case I think it was Libyan dissidents
15 who were located in Europe or other places outside the United
16 States.

17 And we had particular difficulty asserting jurisdic-
18 tion under existing statutes for such activities. In that
19 particular case, we arguably had some jurisdiction only
20 because gratuitously some of the overt acts took place in the
21 District of Columbia, and we were able to use D.C. provisions
22 for dealing with solicitation? ^{to commit murder} But I assume we regarded that
23 as merely gratuitous that it occurred there, and but for that
24 fact we would not have had federal jurisdiction over the
25 transaction.

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1 BY MR. MCGOUGH:

2 Q What was Colonel North's role in the process?

3 A Well, as I recall, a meeting was called. Stanley
4 Sporkin was there and others, but I cannot identify them.
5 It's hazy. We were at the Old Executive Office Building. I
6 was seated in a fairly small office, and all I recall of this
7 was that there was something else going on because people
8 were constantly running in and out of the room. And there
9 was very little substantive resolution. After about a half
10 hour, the meeting seemed to terminate with, "Well, can't you
11 try to work it out with the CIA?"

12 There was major pressure, if you will, to have some
13 resolution because it appeared that there was--I don't know
14 whether it was a leak or an authorized statement that came
15 out of, I think, the White House announcing the fact that
16 there was this, I think, five or six chapter title proposed
17 anti-terrorism bill that was about to go up to the Hill.

18 Maybe I'm speculating somewhat. Maybe it was in
19 ~~connection with~~^{the} state of the union addresses. I don't
20 recall. But it was in the January context.

21 Q Do you recall any specific input that Colonel might
22 have had?

23 A No, other than "Can't you work it out?" He really
24 seemed to be involved in something else at the moment.

25 I cannot, in terms of timing, tell you whether the

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1 proposed resolution that we had agreed on was accomplished
 2 before the meeting or after the meeting. But we had--I
 3 thought--worked out an arrangement whereby we provided the
 4 CIA with a letter regarding the scope and applicability of
 5 this proposed statute. And the thrust of our letter was that
 6 we had envisioned that this particular proposal ~~that~~ would be
 7 placed in Title XVIII in that portion., ,

8 MR. McGOUGH: Let the record reflect that Robert
 9 Genzman, assistant minority of the House Committee, is in the
 10 room.

11 MR. RICHARD: If I may continue.

12 MR. McGOUGH: Sure.

13 MR. RICHARD: We had indicated that we intended
 14 this particular portion to go in the foreign relations
 15 chapter of Title XVIII, which we at Justice had interpreted
 16 as not applying to authorized government conduct. The CIA
 17 was concerned that, as written, the statute would arguably
 18 apply to authorized CIA activities.

19 MR. McGOUGH: You said there was a second meeting
 20 with--

21 MS. NAUGHTON: Can I?

22 MR. McGOUGH: Sure.

23 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
 24 COMMITTEE

25 BY MS. NAUGHTON:

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1 Q You said before that Casey had insisted on some
2 sort of express--

3 A That's correct.

4 Q --disclaimer on this. Was Casey personally, do you
5 recall?

6 A I certainly didn't deal with him personally on
7 this issue. My recollection is that Casey wanted assurances
8 that this proposal would not reach authorized conduct of the
9 agency. My information would have come from Stan Sporkin.

10 After we had devised this letter--and I think even
11 sent it over Lowell Jensen's signature--and had occasion to
12 discuss it with Mr. Sporkin and received clear indication
13 from him that this was acceptable, I subsequently learned
14 that DOD had gone to Mr. Casey and had voiced serious
15 concerns whether the letter was adequate to protect duly
16 authorized government conduct.

17 The agency had then taken the position that the
18 letter was not acceptable and that they would only go along
19 with an express provision in the statute exempting authorized
20 intelligence activities. The resolution, as I recall, was
21 that Lowell Jensen, who at this time was the associate
22 attorney general, felt that that was not acceptable. And
23 ultimately that particular provision was dropped from the
24 package.

25 That's my recollection of the whole transaction.

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1 Q You mean the whole provision which would have made
2 it illegal to conspire to kill someone--to conspire in the
3 United States to kill someone was dropped from the anti-
4 terrorist--

5 A That particular proposed legislation, yes. It was
6 excluded from the package transmitted to Congress. That's my
7 recollection.

8 Q When Sporkin or anyone from the CIA or DOD, for
9 that matter, voiced their opposition to those provisions, did
10 they give any specific examples?

11 A No. Their concern was that it wouldn't provide
12 sufficient assurances to protect their personnel and that
13 citing the letter would not provide the comprehensive
14 assurances that they were seeking that personnel--duly
15 authorized personnel--engaging in activities otherwise
16 covered by the statute would not fall within the statute.

17 The statute, as I recall, reached not only assassi-
18 nations ^{but} and assaults and other types of physical violence
19 directed against individuals abroad. So it wasn't just a
20 question of prohibition on murder. It was a prohibition on
21 any assault, if I recall correctly

22 Q And was the section concerned just solely with CIA
23 personnel and DOD personnel or their assets as well?

24 A I don't recall it coming down to that kind of
25 specificity in the discussion. It was just more generalized-

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1 him concerned about the personnel.

2 Q Did your letter, do you recall, refer just to
3 personnel--in other words, U.S. government employees--or did
4 it cover assets as well?

5 A I think it talked about duly authorized conduct.
6 I'm not sure that it focused on any particular classes of
7 individuals.

8 This letter is available--I mean, the materials are
9 available. I'm not sure if they were included, but if you
10 need it, I'd be glad to send it over to you.

11 MS. NAUGHTON: Okay. Thank you.

12 BY MR. McGOUGH:

13 Q You mentioned in your answer that there was a
14 second conversation with Colonel North.

15 A Yes. That's correct.

16 This related to what I referred to as the [REDACTED]
17 [REDACTED] matter.

18 Q Let's set that aside for a moment, because I'm
19 going to come that. We'll talk about that in a little more
20 detail. And I'll just ask you about Colonel
21 North's involvement with that.

22 Was that a single meeting that you were in?

23 A That's correct.

24 Q Any other contact with Colonel North that you--

25 ~~I don't~~ ^{don't} ^{any} recall those two contacts. I must confess--

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1 I mean, I have attended so many meetings. I don't recall him
2 being in any other meeting, but it is possible.

3 Q Let me ask you about John Poindexter. When do you
4 first recall meeting Admiral Poindexter?

5 A Well, the first meeting--it's hard to date other
6 than saying some time in '81.

7 And the context is a group that was established by
8 the White House to meet weekly to review outstanding informa-
9 tion that had been received by various agencies relating to
10 ~~potential~~ possible threats against the security of the
11 president. It started apparently in response to information
12 indicating that Colonel Khadaffi had sent in or was attempting
13 to send in hit squads to assassinate the president.

14 And the White House, under Ed Hickey, who was--I
15 understood to be some special assistant to the president,
16 began to chair weekly meetings attended by a variety of
17 agency personnel. Justice had been asked to participate, and
18 my understanding was the Director Webster had asked that in
19 addition to the FBI sending a representative that the
20 Department of Justice also send a representative. In that
21 fashion, I was tasked by--I think it was Lowell Jensen, who
22 was then the assistant attorney general, to represent the
23 department.

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24 At these meetings, more often than not I went with
25 Jeff Harris, who was then a deputy associate attorney general

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1 reporting to the associate attorney general, Rudy Giuliani.

2 I apologize for being so long-winded, but it was in
3 the context of those meetings that I first met Admiral
4 Poindexter. He attended a good number of the meetings. If
5 not personally, a representative of the NSC was always
6 present at the meetings.

7 So I met him in that context.

8 Q We're going to bring up in a few minutes a little
9 bit about the Wilson matter and whether that was discussed in
10 the context of those meetings.

11 Outside the context of those meetings did you have
12 any contact with Admiral Poindexter?

13 A I had, I recall, one meeting with him relating to
14 one aspect of the Wilson matter.

15 Q This was a one-on-one meeting?

16 A No, the senior assistant U.S. attorney responsible
17 for this particular aspect, Larry Barcella, was with me.

18 Q Can you put any kind of time frame on that?

19 ~~Q~~ A ^{yes} Yeah. Could we stop the record and discuss?

20 MR. McGOUGH: Sure.

21 [Recess]

22 MR. McGOUGH: While we were off the record we were
23 discussing the contours of the questions and answers that are
24 going to follow in order to avoid any disclosure of classified
25 information, and with the witness' permission I will try just

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1 to lead him through a short number of questions.

2 BY MR. MCGOUGH:

3 Q We were referring, when we broke, to a meeting with
4 Admiral Poindexter at which Mr. Barcella also attended.
5 Would it be fair to say that you were at that meeting to
6 request Admiral Poindexter's assistance in an aspect of the
7 Wilson investigation that involved the State Department?

8 A That's correct.

9 Q I think at that point that's all we really needed
10 for the record at this point.

11 All right, then. Outside the Hickey subgroup and
12 the meeting with Admiral Poindexter that we just discussed,
13 did you have any other contact with Admiral Poindexter?

14 A I don't recall any other meetings with him.

15 Q Any phone calls or correspondence with him?

16 A I don't recall, except that--I don't recall any,
17 except that after Wilson was apprehended there was concern
18 because the individual who had used Wilson to--had apparently
19 ^{and} on his own without authorization from the Department of
20 Justice composed a letter purporting to be from the NSC to
21 Wilson. And I had been contact^{ed} by a representative of the
22 NSC making inquiry with respect to this alleged letter. I
23 don't recall who initially attempted to reach me, but I think
24 I ultimately discussed the issue with an individual by the
25 name of Tanter--Ray Tanter.

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1 Q Phonetic--T-A-N-T-E-R?

2 A Yes. Something like that. But conceivably--and
3 for that matter, either Colonel North or Admiral Poindexter
4 may have been trying to initially reach me.

5 Q Did you ever discuss--to your recollection--or
6 communicate with Admiral Poindexter on any Justice Department
7 investigation other than the Wilson matter?

8 A No, not that I recall.

9 Q Now, I'm going to also go down a number of names
10 which will be familiar to you, I'm sure. But my question is
11 really whether you had had any personal contact with them,
12 whether it be meetings, telephone calls, correspondence of
13 any kind, or anyone who represented--strike that--I was going
14 to say anyone who represented they spoke on their behalf--some
15 of these people who were represented by attorneys--someone
16 other than an attorney who was appearing who came to you on
17 their behalf or as an agent for them.

18 Richard Secord--have you ever had any personal
19 contact with him?

20 A I have never personally met the man. He obviously
21 was a target of what I call the Wilson investigation.

22 Q But you never had any personal contact with him?
23 Albert Hakim.

24 A The same category as General Secord.

25 Q Thomas ^Clines.

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1 A Same.

2 Q Rafael Quintero.

3 A I've never met the man. He of course figured in
4 the Wilson inquiry.

5 Q Erich Von Marbad.

6 A He was a target of the Wilson inquiry.

7 Q Again, have you ever met him personally?

8 A No. No, I haven't met him.

9 Q Michael Ledeen.

10 A I have never met Michael Ledeen.

11 Q Have you ever communicated with him or exchanged
12 correspondence with him, spoken to him on the phone--to the
13 best of your recollection?

14 A I don't believe so. I forget your admonition with
15 respect to his attorney.

16 Q Well, maybe--what I wanted to do was--I know you've
17 met--you've spoken probably to attorneys who represented some
18 of these people.

19 A Yes.

20 Q Have you spoken to an attorney who represented Mr.
21 Ledeen?

22 A I don't recall. Let me, if I may, just explain why
23 I'm hesitant.

24 I had occasion within the last 18 months to address
25 a congressional inquiry regarding Mr. Ledeen which, if I

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1 recall correctly, was prompted by articles which appeared in
2 Italian newspapers concerning his involvement with some--what
3 was then viewed as scandals in Italy.

4 And some questions were raised in the article
5 regarding Mr. Ledeen which prompted the congressional
6 inquiries of the department concerning his security clearance.
7 It was something along those lines. I don't recall with great
8 precision, but I think I had occasion to prepare a proposed
9 response to that congressional inquiry based on some FBI
10 reports that were made available to me.

11 During the course of that, I have no recollection
12 of talking to an attorney, but on the other hand, if you tell
13 me who the attorney is that represented Mr. Ledeen, that may
14 be helpful.

15 Q I don't know the answer.

16 A That's okay. I have no specific recollection of
17 talking to the attorney, but I did handle an aspect of the
18 congressional inquiry at that time.

19 Q How about Theodore Shakley?

20 MS. NAUGHTON: Excuse me. Could I ask a question?

21 MR. MCGOUGH: Of course.

22 BY MS. NAUGHTON:

23 Q I've seen that correspondence, and what I wanted to
24 know was did the attorney general actually participate in any
25 of that? Did you discuss this issue with him?

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1 A I don't recall discussing it directly with the
2 attorney general. I recall the matter being at Ken Cribbs'
3 level. He was then, I think, counsel to the attorney
4 general.

5 And it was--I was asked to attend a meeting in his
6 office, and I believe present in addition to myself ^{was} Ken
7 Cribbs and Judy Hammerschmidt, who was part of the attorney
8 general's staff. I just don't recall her specific title.

9 They had apparently--this congressional inquiry--
10 and didn't know how to respond to it. And they showed it to
11 me, and I ~~had~~ suggested that it be sent to the Criminal
12 Division for normal processing, which is what I think
13 ultimately happened.

14 But I don't recall ever having occasion to discuss
15 it directly with the attorney general or anyone else, for
16 that matter.

17 Q Was Ellen Gersen present for that meeting?

18 A It's possible.

19 Q Did anyone at that meeting ever refer to any
20 meetings they had had with Michael Ledeen on any subject?

21 A I don't recall. It was more of a how-do-we-handle
22 meeting--how do we respond to the congressional inquiry? It
23 was from one of the intelligence committees

24 Q What I'm curious about is in the normal course how
25 this is handled. The Office of Legislative Affairs would

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1 normally, I imagine, route that to you as a matter of course.

2 A That's correct.

3 Q How is it that it got to Cribbs' attention?

4 A I have no idea.

5 MS. NAUGHTON: Thank you.

6 BY MR. MCGOUGH:

7 Q I believe you were talking about whether you had
8 every-day contact with Theodore Shakley.

9 A Again, the answer would be no, although he was part
10 of the Wilson inquiry.

11 Q How about the Max Gomez or Felix Rodriguez names?
12 The same person, two possible names.

13 A I've heard the name. If I'm not mistaken, I first
14 heard it in the context of the Wilson inquiry, but maybe I'm
15 wrong.

16 Q But you've never had any contact with him?

17 A No.

18 Q Donald Gregg--have you ever worked with Mr. Gregg
19 or had any contact with him?

20 A I have no recollection. My only hesitancy is it is
21 not unusual to attend meetings, especially at the State
22 Department--^{involving} a cast of thousands, where you at times send
23 around a sign-in sheet. But whether he is at a meeting that
24 I'm at--it's conceivable

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25 Q Let me turn--let's turn, if we could, in a little

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1 more detail to the Wilson matter. And let's start, although
 2 I don't think we'll tarry long at it, at the beginning and
 3 when you first became aware that the investigation--that
 4 there was an investigation being conducted and Mr. Wilson was
 5 involved.

6 A Well, I would place it probably in '81, when the
 7 papers were carrying daily revelations of massive CIA-related
 8 illegalities, all revolving around Wilson and his associates.

NR 9 And it was a tremendous media blitz on the Wilson-^{alleged} illegal
 NK 10 activities ^{that} they were engaged in by the intelligence community.

11 At that time, as I recall, different aspects
 12 seemingly were of interest to probably six to ten different
 13 U.S. Attorneys Offices around the country. And we were
 14 terribly disjointed, no one knowing what was going on.

15 And it was apparent to me that the matter was being
 16 poorly handled, in my judgment. I expressed that observation

17 to both Lowell Jensen and Rudy Giuliani, who ^{was} ~~were~~ then the

NR 18 Associates--someone's got to ride herd on this because the
 19 allegations were--if they were true--obviously very serious

20 but also suggesting that there was tremendous overlap in
 21 investigations, one district targeting the other one's
 22 witnesses, and the other one targeting the other's subject.

23 It was something that cried out for some coordination. There

24 were--in addition to the U.S. Attorney problems, you had a

25 whole panoply of different investigative agencies all over

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1 the place seemingly not coordinating.

2 At or about the same time, I think the FBI came to
 MPB the department ^{refusing me} ~~as~~--do something to bring this matter under
 4 control in terms of setting up a comprehensive investigative
 5 and prosecutorial effort here. Accusations, of course, were
 6 flying all over the place with respect to government com-
 7 plicity, CIA cover-ups, and what have you.

8 Ultimately a meeting of all interested agencies and
 9 U.S. Attorneys Offices was convened. It was held in the
 10 auditorium of the FBI. I kid you not, just in terms of the
 11 number of interested parties.

12 I mean, it was really--it was just a bizarre
 13 phenomenon. Because everything that was ever wrong with this
 14 country was being attributed to Wilson. And everything ^{and} ~~was~~ a
 MK alleged 15 Wilson connection. And we just didn't know if there was any
 16 substance or not to it. Obviously, I'm being facetious.

17 So there was a need to try to bring it all together
 18 and coordinate the inquiries.

19 What emerged was my assignment to be responsible
 20 for trying to pull it together and make some sense to the
 21 investigation and prosecution. And that's how the Wilson
 22 task force, if you will, came to be created.

23 Q Did you select a district or districts that would
 24 act as the center of gravity or the lead in the investigation?
 25 Or how did you--how did you bring it all together, I guess is

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1 my question.

2 A Well, at that time the focus of the allegations, as
3 you know, were in the District of Columbia. And we had Larry
4 Barcella, who had, if I'm not mistaken, already brought down
5 charges against Wilson and others. There were several
6 ongoing inquiries that were based in D.C., but even those
7 inquiries--upon analysis, it was clear that the venue for the,
8 kinds of ^{offenses} ~~defenses~~ that they were looking at was elsewhere.

9 So we brought in other districts as the information
10 began emerging. We brought in many districts--Houston, in
11 particular, Virginia, Colorado. We had resolved one aspect
12 of this in Philadelphia where we quickly established that
13 that was not a Wilson matter, if you will. And we began
14 tapping into other resources from those U.S. Attorneys
15 Offices.

16 There came a point in time when the FBI at my request
17 had, in effect, categorized all the Wilson allegations and
18 had come up with some 50 or 60 different transactions, if you
19 will, which in my judgment had to be examined during the
20 course of this effort. And they ranged from classical
21 bribery to espionage, illegal exportation of guns, explosives,
22 and the like.

23 I had--I did, in fact, convene regular meetings of
24 both the key prosecutors and the key investigative agencies,
25 where we would--well, let me back up. First I assigned out

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1 primary responsibility for all of these transactions to
2 different offices and prosecutors, based on what appeared to
3 be logical venue at that time as then known.

4 And then we would meet regularly--this is primarily
5 at the investigative stage--to ensure that each agency and
6 each U.S. Attorneys Office involved would know what other
7 agencies were doing and planning to do with respect to
8 developing their particular ~~responsible~~ areas.

MR

9 We also tapped into some Criminal Division attorneys
10 that were utilized to augment the U.S. Attorney complements.

11 I trust that's responsive.

12 Q There came a time in early 1982, I believe, when the
13 EATSCO aspect of the investigation was assigned to the
14 Eastern District of Virginia, is that correct? Can you tell
15 me what went into that decision and how it came about?

16 A Well, I think it was clear that for that particular
17 case, the venue was there. I mean, you had a defrauding of--
18 if anything--the Pentagon. And that was a logical place for
19 venue.

20 It was seemingly the kind of case that required, in
21 my judgment, someone with a white collar crime background.
22 It was more a paper case. And we were very fortunate to have,
23 in my judgment, someone I consider to be an extremely good,
24 accomplished prosecutor in the white collar crime area. Ted
25 Greenberg, who was in Virginia.

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1 And looking around for alternative venue, on
 2 reflection, I'm not sure it had some of the--that were in
 3 Rhode Island and elsewhere around the country. I'm not sure
 4 that there was any other ^{district} ~~what~~ I would consider to ^{have} be logical
 5 venue other than in Virginia.

6 Q Did Mr. Barcella in the District of Columbia
 7 express dismay or any problem with that assignment?

8 A Well, Larry Barcella wanted to be the head of the
 9 entire task force. He wanted to be responsible for all
 10 cases. What Larry didn't appreciate was that he was not
 11 well-liked in terms of his ability to get along with other
 12 agencies and other prosecutors. To me, that was a--as being
 13 able to coordinate this kind of multi-district effort.

14 Q Did--in particular regard to the venue on the
 15 EATSCO investigation, did you discuss that with the people
 16 who were then your superiors in the Department of Justice?

17 A I don't recall specific discussions, but I was in
 18 close communication with the U.S. Attorney's Office in the
 19 District of Columbia. In fact, they were very concerned and
 20 almost insisted on being present at every meeting that Larry
 21 had with us because they wanted to be sure that they were
 22 apprised of what was going on.

23 Q This was who?

24 A I think at that time--well, it was--Joe DiGenova ^{6/2}
 25 was the first assistant.

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1 Q This was the U.S. Attorneys Office in Washington?

2 A John Hume, I think, was head of the Criminal
3 Division. He was very interested in making sure that he knew
4 what Larry was doing.

5 Q And Larry was in his office.

6 A Larry was in his office, yes.

7 Q Did you ever--leading up to that decision, did you
8 receive any input on that--on the allocation of that case to
9 the Eastern District of Virginia from anyone outside the
10 Department of Justice? Did anyone--did you solicit anyone's
11 opinion or receive anyone's recommendation as to whether that
12 case should be assigned to someone else out of the department?

13 A I don't recall. Those decisions, quite candidly,
14 as to where to assign the cases was, as I recall, largely
15 made by me based on my assessment of what we had in ^{terms of} the
16 strength of a particular office, the venue, what else was on
17 their plate in terms of assignments, and what have you.

18 Q But no one from the NSC or from the White House or
19 the Department of Defense or State approached you or communi-
20 cated with you regarding that decision.

21 A I'm not even sure that they were aware of it.

22 Q Or the CIA--I should throw in that.

23 A Well, I mean I'm sure they became obviously aware
24 of it very quickly as to how we were structuring this. I

25 mean, it was no secret what we were doing.

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1 But let me say the--position of Larry. Larry had
2 tremendous knowledge, certainly at the outset of this
3 particular case--knowledge that was of value. He had the
4 historical knowledge that was important. And I tried to
5 integrate him to the extent I thought appropriate in other
6 cases, including the EATSCO case and including the case in
7 Houston and even in the case in New York.

8 ^{There's} So ~~it's~~ not a suggestion that Larry was cut out of
9 the process. He was aware and had, as far as I'm concerned,
10 ample opportunities to have input in critical decisions--in
11 ^{had} fact ~~was~~, if you look at the record, participated in many
12 Eastern District grand jury sessions. But in terms of a
13 tactical judgment where to put this case, the record is there.

14 Q Were you aware that at or about that same time--
15 that is, when the decision was made that venue lay in the
16 Eastern District of Virginia--that Mr. Barcella had been
17 approached by Michael Ledeen? Had you ever heard anything in
18 that regard?

19 A When you say approached, I'm not sure what you mean.

20 Q That he had had a contact from Michael Ledeen
21 regarding the investigation.

22 A I don't recall that. Somebody at some point--
23 someone told me that Larry Barcella had purchased his house
24 from Ledeen, but I don't know when I heard this or from whom.

25 I don't recall--Michael Ledeen--I may have known that, but--

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1 Q It doesn't ring a bell?

2 Let me back up to what ^{happened} ~~expended~~--it's important.

3 The original referral or contact with the individual that
4 subsequently assisted in inducing Wilson to leave Libya was
5 through the NSC. Newspaperman Hersch brought this individual
6 to Allen, who was then the National Security advisor. And
7 with the representation ^{that} of this individual could somehow help
8 in obtaining the apprehension of Wilson, that individual was
9 subsequently referred over to the department.

10 But I don't think Ledeen was involved in that. I
11 just don't recall Ledeen being involved in the Wilson matter.

12 Q Let's return, if we could, to the Hickey subgroup
13 meetings, at which you said Admiral Poindexter was in
14 attendance--at some of them, at any rate.

15 A That's correct.

16 Q The Wilson case came up in the context of those
17 meetings on one or more occasions, did they not?

18 A That's correct. I would generally raise it only
19 when the group was discussing events or upcoming events that
20 might trigger a reaction from a foreign power. And it was in
21 this context that I would mention a particular event which
22 might happen or we anticipated would happen in the near
23 future which, as I said, might spark a response from a
24 foreign power.

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25 Q In the context of those briefings or in the

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1 information that you passed on to the rest of the group, did
2 Major General Secord's name ever arise?

3 A I don't recall his name coming up in the context of
4 those meetings. The only thing I could suggest is that there
5 was a secretary present in most if not all of the meetings
6 that took what I always assumed were minutes. I have never
7 seen them. And I would refer you to those minutes.

8 Q Whose secretary would that have been?

9 A I always assumed it was someone from Mr. Hickey's
10 staff. I don't have a name to offer.

11 Q Do you know if the minutes were ever transcribed?

12 A I don't.

13 Q Did you ever see any typed or written minutes of
14 the meetings after the meetings that occurred?

15 A I don't recall seeing them. It certainly was not
16 routine to distribute minutes or anything like that.

17 Q Let me return to the question. Actually, we hit it
18 right on the head. To your knowledge, was General Secord's
19 name mentioned in the course of the discussion of the Wilson
20 case--at any point?

21 A I don't recall. The subject of Egypt on occasion
22 did come up. But I cannot recall ever specifically mentioning
23 General Secord, nor could I focus in on any event that was
24 going to occur that would have suggested that I might have
25 raised it in the context of this meeting.

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1 But let me say, if I may, that it was at this time
 2 *More was nothing*
 3 ~~not something that~~ was particularly secret about the EATSCO
 4 investigation and the involvement of General Secord. We
 5 had--I forget whether we instituted or recommended it--at any
 6 rate, General Secord had been suspended as a result of this
 7 investigation. I think there were numerous articles about
 8 the investigation, its impact on Egypt, and what have you.

9 So the fact that we were investigating the general
 10 was no secret at that time. We had briefed various congress-
 11 sional committees about the matter. It was just something
 12 that was *fairly* ~~barely~~ public--going on.

13 Q Is it fair to say that as the investigation and
 14 particularly the capture of Mr. Wilson played out that there
 15 developed some tension between the FBI and some of the other
 16 agencies or entities involved in the investigation?

17 A Well, one of the forces at work, if you will, that
 18 led to the creation of this effort and coordination was the
 19 ongoing tension between investigative agencies. And there
 20 was a certain degree of tension between the FBI and Larry
 21 Barcella.

22 Q What was the source of that tension, as best you
 23 could understand?

24 A Well, here you have--depending on how you wish to
 25 look at a given transaction--you have agencies with a variety
 of overlapping jurisdictions. A given transaction could give

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1 rise to FBI jurisdiction as well ATF, as well as Customs, and
2 what have you.

3 And I think you did have questions about the--you
4 know, what one agency was doing on one aspect and the other
5 agency feeling they should be the lead agency and what have
6 you. I mean, it's classical jurisdictional squabbles.

7 So part of the justification, if you will, I think,
8 for needing this coordinated effort was to reduce, if not
9 eliminate, this inter-jurisdictional problem.

10 Q Let's take about a five-minute recess here. I want
11 to clear up some things and stand up. Everybody stretch
12 their legs.

13 [Recess]

14 MR. MCGOUGH: Let's go back on the record.

15 BY MR. MCGOUGH:

16 Q Speaking of the Wilson matter for a few more
17 minutes--in the course of the investigation, did you ever
18 learn or hear about any interest in the investigation on the
19 part of Erich Von Marbad?

20 A Well, he was a target of the investigation.

21 Q Were you aware of any attempt by Mr. Von Marbad or
22 anyone associated with him to influence the investigation
23 through governmental channels?

24 A I don't know whether it was through Mr. Von

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25 I don't know whether it was through Mr. Von Marbad or anyone associated with him to influence the investigation through governmental channels? I have a recollection that I think

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1 it was his attorney attempted at the outset to bring to the
 2 NSC's attention what the attorney characterized as the
 3 potential dire consequences on our relations with Egypt that
 4 would flow from this inquiry.

5 If I recall correctly, Bob ^{Kimmett}~~Kimmett~~, who was I think
 6 then the general counsel of the NSC, was the one who was
 7 handling it. The State Department was going to meet or was
 8 pushing a meeting between the NSC and I think it was counsel
 9 for Von Marbad. I believe so. And I think, if my memory
 10 serves me correctly, we went through the ceiling and said no
 11 meeting--don't meet with them. And if I recall correctly, we
 12 were successful in cutting it off.

13 I must admit that my memory is vague, but I would
 14 refer you to Jeff Smith, who's on Senator Nunn's staff, who
 15 at that time was working with us--working with me very
 16 closely--on the EATSCO matter. He was at the legal advisor's
 17 office of the State Department. And I think this issue--he
 18 and I worked together to turn off this effort, if you will.

19 Q In the course of your contact with the Wilson
 20 investigation, did it ever--was there ever brought to your
 21 attention any attempt to influence the investigation that you
 22 felt was improper, be it on behalf of Mr. Von Marbad or
 23 anyone else?

24 A Quite candidly, I have no recollection of anything
 25 that I would describe as undue influence or attempted

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1 influence. I obviously kept my superiors apprised of
2 developments. They were interested in different aspects of
3 the case. But they never, to my recollection, suggested
4 courses of action or vetoed courses of action that we wanted
5 to take.

6 So I guess the answer to your question is no.

7 Q Let's turn, if we could, to the hostage situation
8 and various plans--possibilities for rescuing them. Then
9 again, if we get into an area that you feel is still clas-
10 sified, let me know and we'll try to finesse it as best we
11 can.

12 But prior to the--do you have a recollection that
13 you wanted to add to the record?

14 A What would--I'm hesitating--going back to your last
15 question. One aspect of the Wilson inquiry which we looked
16 into was the relationship or possible relationship of Wilson
17 and associates with a senator. And there was concern
18 expressed because--or at least conveyed to me that I had
19 opened an investigation and commenced an investigation
20 without clearing it with my superiors that involved launching
21 investigation of the senator.

22 Q Was that investigation ultimately launched?

23 A Yes.

24 Q You say concern was expressed. Do you recall who
25 expressed concern to you about it?

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1 A It was more of a surprise that I had done it
2 without apparently clearing it or advising my superiors of
3 that effect. I'd be speculating that it was probably Lowell
4 Jensen, but I don't recall. It was what I regarded as a mild
5 reprimand for not following procedures, at least as they
6 perceived them.

7 Q Did he indicate that he had received a reprimand or
8 an input from anyone else that sparked his own approach to
9 you?

10 A There was some surprise being expressed that it was
11 done without knowledge of higher officials within the
12 department. It was a reprimand for failure to notify rather
13 than focusing on substance. At least, I interpreted it that
14 way.

15 Q We have to ask for the record who the senator was.
16 I assume--with the caveat this is a committee document which
17 will be classified as committee sensitive and would not be
18 released absent a majority vote of the committees. At least
19 that aspect--any aspect of it would have to--

20 A Well, it involved Senator Thurmond.

21 Q An alleged contact with Mr. Wilson.

22 A Not--I don't--if I recall correctly, I don't
23 believe directly with Mr. Wilson. It was his associate who
24 indirectly was trying to purportedly influence the senator in
some fashion to accomplish some bidding on Wilson's behalf.

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38

1 Q All right. Let's turn to hostage rescues, if we
2 could.

3 Prior to the revelations of the arms deal in
4 November of '86, I understand that you were involved in
5 several possible efforts to rescue or ransom or secure the
6 release of the hostages. Could you itemize the ones in which
7 you were involved. And we may ask you about some of the
8 others in a minute.

9 A Not in any particular order.

10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED] But at any rate, the
14 Southern District was interested in acquiring some assistance
15 from Switzerland, and in that fashion I became involved in
16 working with the Southern District to accomplish their
17 prosecutive objectives.

18 So there came a point in time when Andre Serena,
19 who was then the assistant legal advisor at the State
20 Department, thought that it might be fruitful to explore the
21 possibility of--maybe we should go off the record.

22 MR. MCGOUGH: For the classified stuff?

23 MR. RICHARD: Yes.

24 MR. MCGOUGH: Let's go off.

[Recess]

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1 MR. McGOUGH: Going back on the record after we
2 have had the discussion about classified matters in the
3 context of hostage release or rescue plans.

4 BY MR. McGOUGH:

5 Q Mr. Richard, let's refer to one you raised before
6 we broke.

7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]

13 Am I correct so far?

14 A That's correct.

15 Q And while the Justice Department gave its input on
16 the matter, the plan itself never really materialized.

17 A To my knowledge, it never did.

18 Q Let's turn to another incident of which--which we
19 discussed off the record. It involved, did it not, a
20 fugitive who was under indictment in the United States who--
21 again, through an intermediary--offered to set up a meeting
22 with Iranian official to discuss possible release of the
23 hostages. Is that correct?

24 A That's correct.

25 Q And the fugitive or his intermediary offered to do

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1 that in exchange for some consideration on the outstanding
2 criminal charges.

3 A Some unspecified consideration--yes.

4 Q Did the conversations--or did the discussions of
5 that proposal include, to the best of your recollection, any
6 mention or reference to what the Iranian official might want
7 in exchange for assisting in the release of the hostages?

8 A No. I don't recall if there was any specifics
9 discussed, and the notion was to sit down and listen to the
10 Iranian proposal, as I recall.

11 Q And again, that never--that meeting never came to
12 fruition.

13 A To my knowledge, it never did.

14 Q Then there was an episode involving a relative of
15 the fugitive we've just been discussing, of which--a proposal
16 of which you're general aware, is that correct, but that is
17 primarily the responsibility of Vicki Toensing in the
18 department.

19 A That's correct.

20 MS. NAUGHTON: Could you--did we get on the record
21 approximately when this individual was indicted?

22 MR. MCGOUGH: The fugitive we were discussing?

23 MS. NAUGHTON: Yeah.

24 MR. MCGOUGH: Let's put it on the record.

25 MR. RICHARD: I believe it was late '70's.

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1 MS. NAUGHTON: Do you know what the charges where?

2 MR. RICHARD: Illegal exportation of munitions and
3 other military equipment and violation of, I believe, the
4 munition control laws.

5 MS. NAUGHTON: Thank you.

6 BY MR. MCGOUGH:

7 Q Now, there was an episode involving a representative
8 of the United States Customs Service that you indicated there
9 was not anything classified about. Could you describe your
10 connection with that?

11 A Yes. On one trip to London I had occasion to visit
12 with the Customs attache assigned to the embassy. It is my
13 practice to try to stop by when I am in a foreign capital and
14 visit with law enforcement people, time permitting.

15 On this occasion, the Customs attache brought to my
16 attention the fact that two sources of theirs had indicated
17 an ability to effectuate the release of the hostages. The
18 representation was that at that time, which I would place
19 probably in late '85 or early '86, these individuals had
20 information that there was, to begin with, one additional
21 American hostage that we were unaware of and that for
22 payments of certain monies that they could accomplish the
23 release of the hostages. The Customs Service, as represented
24 by the attache, was uncertain how to proceed with this
25 information.

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1 Upon my return to the United States I discussed it,
2 as I recall, with the State Department and other members of
3 the Department of Justice and through exploration quickly
4 concluded that we were in all ^{whichever} likely [sic] dealing with a
5 scam. We referred it to the FBI for consideration of
6 possible criminal prosecution of these individuals for
7 attempting to defraud the United States.

8 That's my recollection of that incident.

9 Q All right. Let's refer briefly to two other
10 episodes or proposals. One--let's call it the New York
11 proposal and the other the Detroit proposal.

12 The New York proposal is an ongoing matter. Is that
13 correct?

14 A That's correct.

15 Q And the Detroit proposal is a recently closed
16 matter. Is that correct? The agency that had been brought
17 in in regard to the hostages has determined not to pursue it
18 further. Is that fair to say?

19 A It is my understanding that the matter is closed as
20 far as that agency is concerned. That's correct.

21 Q All right. Now, to your knowledge, in either the
22 New York matter or the Detroit matter was the NSC involved in
23 those?

24 A Not to my knowledge.

25 Q Are you aware of any proposal for an operation

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1 relating to the hostages that involved agents of the Drug
2 Enforcement Administration in an operational role?

3 A I was not aware of that. My only knowledge is
4 limited to what I read in the public media.

5 Let me, if I may, just go back and possibly amplify
6 or clarify a response I previously made with respect to
7 possible involvement in the NSC and these initiatives.

8 We have--at least with respect to the matters we
9 have been discussing--worked closely with the State Department
10 to coordinate these efforts. While I don't recall ever--let
11 me go back and stop at this moment and correct an answer I
12 already gave.

13 And that was with respect to these three issues
14 that were the subject of a memorandum that you were aware of.
15 There was a meeting at Ambassador Oakley's office concerning
16 all three of them. And if I'm not mistaken, at that meeting
17 there was a representative of--I have to assume--the NSC.

18 Q But you can't recall who that was?

19 A No.

20 Q Or what if any input that person had?

21 A I don't recall that individual mentioning anything.

22 Q Do you recall--can you put a time frame on that,
23 approximately?

24 A I would certainly peg it to the date of the
25 memorandum, in that--give a take a week either side of the

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44

1 date of the memo.

2 Q And that's the memorandum that discusses or sets
3 forth an update on [REDACTED] initiative, the fugitive
4 initiative, and the Customs initiative. Is that correct?

5 A That's correct.

6 Q Now, I think you were clarifying your answer when
7 you interrupted yourself--the point of qualifying your answer
8 that to your knowledge the NSC was not involved in any of
9 these.

10 A Yes. My answer being a negative at that point was
11 really designed to be limited to my contacts with them. But
12 throughout this process I always assumed, I believe, that
13 Ambassador Oakley or others at the State Department were in
14 close contact with what I understood to be a White House
15 group that was focusing on hostage-related issues.

16 Q In the context of hostage-related issues, did you
17 ever have any contact with Oliver North?

18 A I don't recall such contact, but during one of the
19 incidents--whether it be the hijacking of the Achille Lauro
20 or the TWA hijacking--I was on duty that evening and I was
21 with the general counsel of the CIA a good portion of the day
22 and night.

23 Q Do you know if it would be Judge Sporkin?

24 A Yes.

25 And there were many people in and out over a the

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1 CIA at the time. I don't recall Colonel North being there,
2 but it's quite possible.

3 Q Were you aware that he was--as they say over at the
4 NSC--responsible for the hostage account, that he was
5 involved in hostage issues at all?

6 A I think I was aware that he was working on this
7 account in some capacity. It was my understanding that the
8 FBI had some ongoing liaison with him in some intrigue--
9 setting. They have a lot of acronyms that I really never
10 fully learned.

11 I do recall that we in the Criminal Division were
12 attempting during this time to participate in that process
13 because we thought it was relevant to us to directly be
14 present at these various meetings.

15 Q While we're on the subject of Colonel North's
16 account--or accounts--when, if ever, did you become aware
17 that he was also responsible for the Central American issues
18 at the NSC?

19 A I couldn't pinpoint that I was ever aware that he
20 was responsible for any Central American account. I knew
21 from media reports that he was heavily involved--or pur-
22 portedly heavily involved--in Central American activities.
23 But I couldn't pinpoint any specific time that I acquired
24 this information.

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Q Let's turn, if we could, to Central American

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1 issues, in particular investigations of Neutrality Act
 2 violations or gun-running or efforts--let me put it this
 3 way--efforts to assist the democratic resistance in Nicaragua
 4 in particular.

5 Did there--was there ever a time when there was an
 6 effort made to consolidate or coordinate investigations that
 7 related to supplying the democratic resistance in Nicaragua?

8 A Well, when you say to coordinate those kind of
 9 cases--there came a point in time in late--I think it was
 10 mid- to late-'86 when there was increasing congressional
 11 concerns and pressures, if you will, for information regarding
 12 pending inquiries.

13 I had, for one, been urging the Criminal Division
 14 to pull it all together, if you will, because the cases of
 15 interest in this area and the area I would define as one
 16 relating to Nicaragua and the activities of the contras and
 17 the activities relating to the Sandinistas--there was a
 18 fragmentation within the division of responsibility, if you
 19 will, over these cases.

20 Q Would they have generally come under your auspices
 21 at all?

22 A Well, yes and no. I mean, part of the focus of
 23 many of the inquiries was alleged narcotics violations, for
 24 example. And those kinds of cases--if that was the principle
 25 thrust of the case--would not, even though a subsidiary

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47

1 aspect might be a neutrality-type violation.

2 Likewise if it's a--you know--we had cases that

3 would seemingly ^{come} span ~~from~~ the area of arms violations

4 domestically, which can go to our General Lit Section. You

5 had assertions of fraud of some of the humanitarian programs

6 that would go to our Fraud Section. And if it was straight

7 neutrality, it would come under my bailiwick. So there was a,

8 seeming to me, anyway, of fragmentation of responsibility for

9 an area that was of tremendous public interest.

10 Q But that--as far as the consolidation, that would
11 have been mid- to late-1986 when that began to gain momentum.

12 A Well, what happened--Bill Weld began calling
13 sessions, if you will, of interested parties, if you will,
14 trying to get--as I appreciated it--an overview of what was
15 in the hopper, if you will, regarding Central American
16 activities.

17 Q Was the Hasenfus crash the catalyst for that sort
18 of thing?

19 A No, I don't believe there was any particular case.
20 The catalyst--if you're looking for a catalyst, I think it
21 was the increasing congressional pressure for information. We
22 had a list of--coming from I think the Foreign Relations
23 Committee on the Senate side of 25, 30 individuals and
24 information about these individuals that the committee is ^{was} ~~was~~
25 demanding to know their status. There ^{was} ~~is~~ a lot of cross-

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48

1 cutting requests coming in from Congress.

2 And again there was the sense that--at least I had
3 the sense that nobody really knew what was in the works.

4 MR. MCGOUGH: Let me show you--let's have an
5 exhibit market here as Richard Deposition Exhibit 1.

6 [The document referred to was marked for identifica-
7 tion as Richard Deposition Exhibit No. 1.]

8 BY MR. MCGOUGH:

9 Q This is a memorandum dated April 13, 1984 from
10 Stephen Trott to you and Vicki Toensing with our control
11 number J-4782 on it. It refers to the Boland Amendment and
12 requests a memorandum on that amendment.

13 Do you recall this memorandum?

14 A ^{Yes}~~Yeah~~. If I recall correctly, this was triggered by
15 one of many congressional requests for appointment of special
16 prosecutors. I'm not sure what the specific triggering ^{event} ~~of~~
17 ~~that~~ was.

18 Q Could it have been the mining of the harbors in--if
19 you look at the third paragraph, it says, "Richard Willard
20 and Ralph Tarr insist that 1341 means that if zero funds
21 were authorized for 'mining activity' etc. . . ."

22 A I believe you are correct.

23 Q There's a--the second paragraph says, "What is the
24 effect of its expiration on our problem?" Do you know what
25 that refers to?

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49

1 A I can only speculate again, but I would assume--and
 2 it's pure speculation--that it's the question of the applic-
 3 ability of ~~any~~^{some act} of the special prosecutive bill. But I'm just
 4 speculating.

5 Q To your knowledge, was this memorandum--not this
 6 memorandum but this time frame that surrounded the memoran-
 7 dum--the first time that you and your group became involved
 8 with the Boland Amendment and its applicability to efforts in
 9 support the Nicaraguan resistance?

10 A When you say the frame of time, probably so. I
 11 would venture to say that this is in the ball park of when it
 12 became an issue.

13 Q Did you and your division continue to monitor the
 14 possible criminal implications of the Boland Amendment as it
 15 went through its various phases?

16 A Quite candidly, when you say did the division
 17 monitor the Boland Amendment--no, it didn't. As far as I was
 18 concerned, it was a regulatory provision without criminal
 19 penalties. So when you say monitor--the compliance aspect,
 20 if you will--compliance with the thrust of the Boland
 21 Amendment--quite candidly would not be something that as far
 22 as I'm concerned would fall routinely in the jurisdiction of
 23 the Criminal Division.

24 Q Although in 1984 that theory was being advanced,
 25 was it not, by Mr. Willard and Mr. Tarr via the Antideficiency

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1 Act?

2 A Oh, yes. By all means. When you have a specific
3 issue that arises, obviously we would take a look at it. But
4 what I thought you were suggesting was that we in the
5 Criminal Division monitor the compliance with a variety of
6 congressional requirements.

7 Q No, I wasn't referring so much to monitoring the
8 compliance as I was to monitoring the evolution of the Boland
9 Amendment in its various manifestations to determine--to do
10 this sort of exercise periodically. By this exercise, I mean
11 that referred to in Exhibit 1.

12 A No, that I would probably say if it would be the
13 responsibility of anyone, Mary Lawton's office--the Intel-
14 ligence Policy Office--to monitor the evolution, if you will,
15 of the statute and its potential import.

16 This, if I recall correctly, triggered the first--
17 or triggered an analysis of the Antideficiency Act and
18 followed on the heels of a meeting which I did attend. But I
19 believe it occurred between various assistant AG's in the
20 department.

21 Q Was there any decision--was there a decision made
22 at this time or at a later time as to which of the various
23 departments--various sections of the Department of Justice
24 would have primary jurisdiction over Boland and Antideficiency
25 Act violations?

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51

1 A I don't think it was assigned in that fashion--you
2 know, responsibility. The issue kept coming up in the
3 context of the applicability or non-applicability of the
4 special prosecutor's bill or the independent counsel's bill
5 being triggered by congressional referral, citing, among
6 other things--I don't think they ever cited the Antideficiency
7 Act--but citing from the Boland Amendment.

8 Q Let's go, if we could, to an investigation in the
9 Southern District of Florida that's received a lot of
10 attention. It's been called a number of things. The
11 initial--one of the initial informants or sources of inves-
12 tigation was a fellow by the name of Garcia. It's also
13 been--I think down there it's referred to as the Costa
14 matter. You're nodding your head, so I think you know which
15 investigation I'm referring to.

16 A Yes. I'm familiar with the one you're referring to.

17 Q Can you recall what your first contact was or
18 awareness of it was of that investigation?

19 A Well, depending on how you define investigation,
20 the investigation that focused in Miami is an outgrowth of an
21 earlier investigation or a different investigation or a
22 segment of a larger investigation--however you want to
23 characterize it--involving the CMA and its founder-leader by
24 the name of Posey.

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25 There was a Neutrality Act violation investigation

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1 begun I think in about '84 or '85.

2 Q In what district, do you recall?

3 A I don't think--as you will find in many Neutrality
4 Act cases, the bureau will open an investigation and not
5 necessarily bring it immediately to the U.S. attorney's
6 attention. So I think the bureau had it focused in Alabama,
7 where Posey was headquartered. But I'm not sure that the USA
8 had been apprised of it. But the bureau, in Neutrality Act
9 violations, works closely with our Internal Security Section.
10 So I can't say that the USA at this point was necessarily an
11 integral part of the inquiry.

12 But in any event, that was ongoing. I think it was
13 triggered or it occurred about the same time a helicopter
14 involving Posey's operation--it was the downing of some
15 plane--excuse me--or craft and the killing of a couple of men
16 who were traced back to being members of the CMA, if I recall
17 correctly.

18 Q Were you aware of that investigation contempor-
19 aneous?

20 A Was I aware that there was such an investigation?
21 Yes. I was aware that it was ongoing.

22 Now, how does that tie into the investigation we
23 are here talking about--this part of it? In March of '86 I
24 received a memo--not a memo--what I call a buck tag.

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1 showing the unclassified version of it, which does not
 2 include--or I'm having marked as a deposition the unclassified
 3 version of it, which will not include the attachment to it.
 4 It consists--the unclassified version consists of four pages
 5 which had been used as a--were introduced as an exhibit
 6 during Mr. Meese's testimony.

7 [The document referred to was marked for identifi-
 8 cation as Richard Deposition Exhibit No. 2.]

9 BY MR. MCGOUGH:

10 Q And we have available for you the classified
 11 portion, which is essentially all of the memorandum from Mr.
 12 Revel to the deputy attorney general, if you would care to
 13 review that. But again, because of the constraints what
 14 we'll do is mark this as a deposition exhibit and refer to it
 15 unless you feel it's necessary--if you want to review the FBI
 16 memorandum.

17 Looking at Deposition Exhibit 2, is this the--
 18 particularly page two--is that the buck slip to which you
 19 were referring a moment ago?

20 A That's correct.

21 Q Can you tell me, to the best of your recollection,
 22 when you received that buck slip? Was that the first
 23 indication you had that this investigation had surfaced in
 24 the U.S. Attorneys Office in Miami?

A I believe so. The first contact that I recall with

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1 the Southern District of Florida was triggered by this,
2 although I cannot say categorically that the FBI had not been
3 in touch with them on earlier occasions with respect to the
4 CMA aspect.

5 Q The memo to you is dated March 24 and reads, I
6 believe, "Please get on top of this. DLJ"--which would be a
7 reference to Lowell Jensen--is that correct?

8 A That's correct.

9 Q --"is giving a heads up to the NSC. He would like
10 us to watch over it." Am I right so far?

11 A That's right.

12 Q "Call Kellner, find out what is up, and advise him
13 that decision should be run by you." Is that correct?

14 A That's correct.

15 Q All right. Now, let's--first of all, let me back
16 up a moment.

17 Do you recall seeing a letter from Garcia's wife,
18 either to the judge involved in the case or to the Department
19 of Justice essentially raising allegations about the cir-
20 cumstances of his prosecution?

21 A I don't recall seeing it, but I recall hearing
22 about it. I hate to assume for Mr. Kellner, but I can't say
23 categorically I haven't seen it.

24 Q Is it possible that you had a discussion of that
25 letter with Mr. Kellner prior to March 24 of 1986, when you

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1 saw the buck slip?

2 A Is it possible? Yes, but I assume he won't recall
3 it.

4 Q Would you have initiated that conversation--for
5 that conversation regarding a letter?

6 A On what basis would I initiate it?

7 Q I have no--

8 A When you say initiated, you're assuming I had the
9 letter. I don't recall doing that.

10 Q Do you recall initiating any conversation with Mr.
11 Kellner prior to receiving the buck slip as part of Exhibit 2
12 regarding this investigation?

13 A My answer is no, but you have to appreciate I can
14 be talking to Leon Kellner with great frequency over a
15 variety of issues and a variety of times. So I can't
16 categorically respond. I have no recollection of talking to
17 him about this matter prior to this buck tag.

18 Q It says that Mr. Jensen is giving a heads up to the
19 NSC. What did you understand that to mean?

20 A That he was alerting them--I mean, it makes sense
21 when you read the content of the classified attachment why
22 there would be, in my judgment, a need to alert the NSC. In
23 fact, I think a failure to alert the NSC, in my judgment,
24 would be foolhardy by the department, given the content of
25 the classified document. I mean, I--

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1 Q Without going into the details of the investigation
2 in the classified document, can you be a little more specific
3 about what it was about this investigation that you felt
4 merited a heads up to the NSC?

5 A Well, you're talking about a plot to assassinate a
6 U.S. ambassador. You're talking about a plot to attack U.S.
7 facilities and other embassy quarters of friendly and
8 unfriendly nations. I mean, this is stuff of potential
9 significance to not only the security of individuals and the
10 United States but in terms of tremendous foreign relations
11 impact, and since the FBI had alerted previously the State
12 Department, INS, Secret Service, and the whole--the other
13 interested agencies, it's natural that somebody in this
14 context better tell the NSC. Because I think it is something
15 that is particularly appropriate for the NSC to know about,
16 assuming you give any credence to the allegations.

17 Q In cases like this with the same sorts of implica-
18 tions, was it--were other briefings given to the NSC? Can
19 you recall any other case where a briefing was given to the
20 NSC?

21 A Two weeks ago I briefed the NSC on a case involving
22 an ally. We were about to take enforcement actions that would
23 have tremendous ramifications on our foreign affairs. And
24 there was a full-blown meeting with the NSC. I mean, how far
25 do you want to go back? I'll be glad to-

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1 Q But I mean, there were other occasions.

2 A What you're talking about is a law enforcement--
3 it's activity which by its very nature has potential sig-
4 nificant impact on the--obvious impact--on the security of
5 this country and how our foreign relations appears. To say
6 that somebody should not alert the NSC, I think, is foolish.

7 Who should be the one alerting them--that is an
8 issue I can't address.

9 Q Well, that's really the next question I wanted you
10 to address, and that is why would the deputy attorney general
11 be the one who would go over to the NSC to alert them? I
12 mean, if it's a matter of just briefing them on a matter
13 that's of interest to them, would that not be normally done
14 at your level or by the FBI or someone like that?

15 A No. By my level? No. I don't routinely brief the
16 NSC. I believe that I would request--I mean, it is atypical
17 for me to be in touch with the NSC except in the most unusual
18 circumstances.

19 The FBI--I can't speak for them in terms of routine
20 briefings and relationships with the NSC. Moreover, I can't
21 address what is routine contact between the attorney general
22 or the associate.

23 But if I may, let me just say that sitting where I
24 sit, you have to appreciate, I think, that we are moving into
25 an area of international law enforcement. Law enforcement is

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1 more and more impacting--directly and indirectly--on other
 2 vital interests of this country in the international arena.
 3 It's a function of a variety of factors, including the fact
 4 that crime has become international. Whether it's narcotics
 5 activities, terrorism, export controls, we are moving into
 6 the international arena.

7 Moreover, just acquiring information abroad requires
 8 more and more contact with foreign countries and what have
 9 you. And our statutes that Congress is passing ^{for} ~~from~~ dealing
 10 with these issues are giving us more and more extra ter-
 11 ritorial jurisdiction, so that we're constantly running into
 12 this issue of dealing--or impacting on foreign affairs.

13 So quite candidly, this issue of coordinating law
 14 enforcement with other vital equities of the government is
 15 one that we'd better start facing up to.

16 I'm sorry if it sounds like I'm pontificating, but
 17 I don't know--to just set it in context, I remember going back
 18 ~~when~~ I was testifying in the Billy Carter matter and one of
 19 the senators asked me how--why I felt it was important that
 20 the attorney general notify the NSC of information we had
 21 learned, and I asked the senator was he suggesting at that
 22 time that the Department of Justice should not advise the
 23 White House that the Libyan government had designed a plot to
 24 infiltrate the White House? We should not advise the White
 25 House of that fact? And I said in my judgment, that's

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1 irresponsible.

2 And I continue to adhere to that. You must set up
3 some realistic system of making sure that there is some
4 coordination.

5 Q Well, let me--was there--did you feel it was
6 unusual for Mr. Jensen to be the one to make that contact?

7 A I don't know, when you say unusual--I have long
8 felt that it's important for the attorney general to be--play
9 a role in NSC activities. I felt it's important to have what
10 I would regard as the Justice Department oversight into that
11 process.

12 Who should accomplish that? At what level within
13 the department? I don't know. I do not advocate that it
14 come down to my level. I think at my operational level--or
15 more operational level--you should try to minimize White
16 House contacts.

17 Q Are you aware of any other instances where the
18 deputy attorney general briefed the NSC on a pending inves-
19 tigation? By the deputy attorney general, it doesn't
20 necessarily mean Mr. Jensen. I mean anyone serving at that
21 point as deputy attorney general.

22 A I am not aware of any, but I would have to assume
23 that the White House contacts at the NSC level on spy cases,
24 whether it be the Pollard case, the Walker case--I would have
25 to assume that there is dialogue because of the nature of the

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1 issues we're talking about.

2 Now, I can't attest to them, but I know, for
3 example, the NSC will be tasking intelligence agencies to
4 find out what is the damage being accomplished by certain
5 espionage cases that we are working. And in that regard,
6 there is a flow of information, if you will, for what I
7 regard as well-founded, legitimate purposes.

8 Who's accomplishing it? I can't say.

9 Q The buck slip refers to--the second sentence says,
10 "He would like you to watch over it." What did you understand
11 your assignment was at that point?

12 A Again, in reference to the nature of the allega-
13 tions, to stay on top of it, to be familiar with the ongoing
14 issues as they emerged, and to ensure that the case doesn't
15 languish, that there is--

16 Q Does not languish.

17 A That it doesn't languish. That it moves ahead to
18 resolution.

19 Now, I've regarded this, based upon the context,
20 notwithstanding the way the bureau may have ^{captioned} captured it, that
21 the first of the threats, if you will, stemmed from the

22 [REDACTED] relationship where we had credible
23 information that that was a possibility ^{of violence}, coupled with the
24 targets identified. To me, that was the gravamen of the
interest

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1 Q Interest by?

2 A I assumed upstairs. You know, the gravamen of the
3 NSC interest, the gravamen of the deputy's interest, the
4 gravamen of the FBI interest. This is an ongoing case, and
5 all of a sudden the FBI is coming to the deputy. Hey look.
6 Look what's going on. And you read the memo. Why is the FBI
7 coming there but for these points?

8 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
9 COMMITTEE

10 BY MS. NAUGHTON:

11 Q Was it your understanding that this case came to
12 the attention of Mr. Jensen through the FBI or through the
13 NSC?

14 A No, no. I assumed it was the FBI to Jensen.

15 Q Do you have any basis for that assumption?

16 A I'm assuming that this was all being triggered by
17 the FBI to Jensen, by this memo that is attached. It's an
18 assumption based on the flow of paper, but maybe there's
19 another way.

20 Q You first received the memo as an attachment to the
21 buck slips, correct?

22 A That's right.

23 Q So you actually received them from Mr. Trott, is
24 that right?

25 A That's right.

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1 Q So when you received it, you did not know whether
2 or not Mr. Jensen had even seen it.

3 A Oh, I assumed so because the buck tag referred to
4 the fact that DLJ--Jensen--had already given the NSC a heads
5 up.

6 I assumed that because the FBI buck tag--the FBI
7 memo was addressed to Jensen, if I'm not mistaken, that this
8 was triggered as a result of the FBI memo to Jensen. Whether
9 there was a meeting or whether it was just Jensen reading
10 this memo and saying, "Here's what has to be done," I can't
11 tell you.

12 Q Okay. So you don't know if it was a function of
13 Jensen knowing about the case and asking the FBI to do a memo
14 or it's a function of the FBI bringing the case to his
15 attention.

16 A I have no idea.

17 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
18 COMMITTEE

19 BY MR. McGOUGH:

20 Q The last line--the last two lines essentially ask
21 you to advise Kellner that decisions should be run by you.
22 What decisions did you understand that to mean?

23 A Decisions to prosecute or not prosecute.

24 Q The ultimate decision was then to indict or not to
25 indict. What about interim steps? That is, whether to issue

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1 grand jury subpoenas, whether to call certain witnesses,
2 whether to interview certain people. Did you consider those
3 the types of decisions?

4 A I really didn't--it's not something that I would
5 normally do, nor did I do it here--for me to run the investi-
6 gation. That's--I interpreted as keeping apprised of what
7 was going on, apprised of what they were doing, the way they
8 were going. And beyond that--the manual requires, at least
9 in a neutrality area, close coordination, but that's--I'm not
10 sure that I would have ever thought of--if you would take
11 this literally--I would have to run the investigation myself.
12 And certainly that's not what happened. That's not what I
13 considered I was being asked to do.

14 Q Would you assume that decisions meant the decision
15 to indict or not to indict?

16 A Well, certainly that. Certainly any major--you
17 know, if you're going to immunize the critical subject I
18 would want to know about it or something like that. If
19 you're going to take an enormous step, I'd want to know about
20 it.

21 Q Why--what was it about this case that triggered
22 that kind of supervision?

23 A Well, again, in the context--it's not this case--
24 it's the context of the information in the memo.

25 Q Let me back up for a minute. I understand why--

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1 you've indicated why you were watching over and being advised
2 about what was going on.

3 But there's an addition later here, and that is
4 you're being asked now to say--to approve or disapprove
5 decisions made in Miami, specifically a decision whether or
6 not to indict. What was it about this case that made it
7 important that main Justice clear the decision to indict or
8 not indict?

9 A I can't answer. You're going to have to ask Steve
10 Trott. I mean, you know, what was in his mind? I mean, I
11 can't tell you what was in his mind. I can tell you how I
12 interpreted it, and it's just--I'm not sure whether it was
13 triggered by--I'm not sure of the timing.

14 And I know we had a problem with Kellner wanting to
15 go with an open indictment at a point in time when we didn't
16 want him to go. We wanted to keep a particular indictment
17 sealed because--

18 Q Was this in this case or in another matter?

19 A No, but it--well, it related to our dealings with
20 

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21 Now, whether that influenced Steve's decision--
22 Steve Trott's decision--I don't know. I'm not even sure
23 whether this is a Steve Trott decision or a Jensen decision.

24 But you're asking me to speculate whether I was
25 concerned that Kellner might go off on his own and do

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1 something that would impact adversely [REDACTED] and
2 elsewhere--I don't know.

3 Q Did you consider it unusual that you were being
4 instructed to clear decisions like indict or not indict?

5 A Yeah. It was unusual. It was unusual. Again, I
6 just hark back to the unusual--what I regarded as the
7 sensitivity of--the allegations regarding threats to indi-
8 viduals at enemy installations.

9 Q Did you consider the Neutrality Act gun-running
10 allegations to be as sensitive as the--

11 A No.

12 Q Did you consider those to be at all sensitive?

13 A Not particularly.

14 Q If you look at the first page of the exhibit as a
15 buck slip--what appears to be a buck slip from you to some--
16 excuse me--tell me what it is. That's probably--

17 A It's a handwritten ^{note} verbal of where I am with
18 respect to a particular matter. It's just my own reminder.
19 There are so many things that cross my desk at any given
20 time. It just keeps me apprised of what I've done on a
21 particular matter.

22 Q It indicates that on March 26 you spoke to Kellner
23 and that the AUSA not back yet from New Orleans.

24 A Not back from New Orleans. Right.

25 Q And you understood at that point that Mr. Feldman

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1 had gone to New Orleans to do an interview. Is that correct?

2 A That's correct.

3 Q Can you recall anything else about your conversation
4 with Mr. Kellner on March 26?

5 A Well, when I finally reached him, which I guess was
6 the 26th, he gave me a whole different perspective of the
7 case--one that was different ^{than that} and reflected in the FBI memo.
8 He indicated, as I recall, that the entire story was out and
9 the wire services had it, and basically what you had was
10 something being manipulated by a couple of reporters who were
11 dealing with--in this case--Garcia in an attempt to mitigate
12 an upcoming sentence that would be imposed on Garcia for his
13 involvement in some gun charges of his own.

14 He expressed skepticism and indicated that there
15 were assertions of all sorts of government misuse--well, CIA
16 involvement in this transaction, government illegalities, and
17 what have you.

18 Q Let me interrupt. Did you take any notes during
19 that conversation?

20 A I'm not sure. I have scratch notes of conversa-
21 tions. I'm not sure that they're necessarily dated with that
22 date.

23 MR. MCGOUGH: Why don't we put those with--your
24 notes in as Exhibit 3.

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25 Am I on the right track? Is that in fact your

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1 handwriting? It's a good start, because the way they come
2 over from--

3 MR. RICHARD: Can I take the Fifth on that?

4 MR. MCGOUGH: You're going to have to.

5 MR. RICHARD: That's my scribble.

6 MR. MCGOUGH: Now, it's two pages. Our control
7 number is J-5641 and J-5642, which we'll mark collectively as
8 Exhibit 3.

9 [The document referred to was marked for identifi-
10 cation as Richard Deposition Exhibit No. 3.]

11 MR. RICHARD: This is not the earliest--there
12 should be an earlier page. This is--that's got to be the end
13 of one of the later conversations.

14 MR. MCGOUGH: Can you look at the second page? I'm
15 not sure--I'm not positive that the two are linked in time.

16 MR. RICHARD: There's a third page which is--

17 MR. MCGOUGH: So a third page is missing. All
18 right, let's back up for a second here.

19 I think we're going to be on this topic for a
20 little while more. This might be a good time to break for a
21 half an hour or so for lunch before we turn to the notes.
22 Because once we get into these, we're going to be at it a
23 while, I think. Before plunging in, this might be a good
24 time to get a break.

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25 I will attempt to find--I will just go to this

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1 portion of the file and attempt to find--it didn't turn up on
2 our--read off the record.

3 [Recess]

4 BY MR. MCGOUGH:

5 Q Why don't we go on the record and indicate that
6 you've looked at Deposition Exhibit 3, which is two pages of
7 handwritten notes.

8 I believe you indicated that you thought there was
9 another page that's not here. I'd appreciate it if you'd
10 tell us what you believe what was on that first page and then
11 also go on to tell us what the two pages we do have are.

12 A As I recall, the first conversation I had with USA
13 Kellner, he related to me the fact that the AP had a story
14 based on Garcia's statement largely to the effect that Garcia
15 had been set up to keep him from revealing the proposed
16 action that had been reflected in the FBI memo. And Kellner
17 described other portions of the story. He expressed skepticism about Garcia's credibility and the validity of the
18 representations, if you will.

19 We proceeded to discuss what he was doing. I think
20 at that point he had the assistant travelling to New Orleans
21 to interview Terrell. There was a conversation--I'm not sure
22 whether it was just devoted to the results of the New Orleans
23 visit or whether it was combined with the results of the
24 Costa Rican visit by the assistant and the FBI agent--but

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1 during that conversation he relayed to me the fact that
 2 Terrell had essentially--that his information was hearsay,
 3 that the individuals in Costa Rica were, again, walking away
 4 from the story.

here
 And ~~he~~ Leon's emphasis was that that was being
 6 subject to some manipulation by Garcia to secure some lenient
 7 treatment by the court and that it was being hyped up by a
 8 couple of reporters who were out to make a lot of hay from
 9 these allegations. In fact, I think he suggested that they
 10 might--they may have even ^{constructed} ~~conspired~~ the allegations or put
 11 the seeds in Garcia's mind, if you will.

12 The information reflected on the material you have
 13 essentially corresponds with ^{what} Leon Kellner ^{was} relaying it to me.

14 Q But not in a single telephone conversation?

15 A No. The notes that I have consist, I believe, of
 16 about three pages, and I am not sure--well, I am sure that
 17 they represent at least two conversations. Whether these two
 18 pages you have is one conversation--I suspect it is, because
 19 the last conversation I had with him on the telephone was his
 20 preliminary conclusion, which was the fact that he had
 21 thought he had at best a weak gun case.

22 And his--the gravamen or the thrust of the conver-
 23 sation was his lamenting the fact that it would be a case
 24 that he would not normally bring. And he was concerned
 25 because he would anticipate ^{himself} it being vilified by the media

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1 for not bringing a case.

2 And we agreed that he would--when the investigation
3 was concluded--that he would send up a prosecutive recommen-
4 dation which we would review and either agree with or
5 disagree with but that he was very much concerned about how
6 the media would treat him if he failed to find a prosecutable
7 case.

8 Q Can you put a time frame on that latter conversa-
9 tion? When is it that you're having this conversation with
10 him about the prosecutable case?

11 A I can only--I really--logic would suggest that it's
12 some time between June and October.

13 Q Was it after you had received--or main Justice had
14 received a memorandum over Mr. Feldman's name laying out the
15 circumstance of the case?

16 A I can't say with any certainty. It may have been
17 prior to that, because there came a point that he had an
18 interim memo which he was going to send up--which he did.
19 And there was additional investigation that was required that
20 he intended to undertake.

21 And he was lamenting the fact that the case did not
22 look promising as a prosecutive vehicle, and the fact that he
23 anticipated a lot of criticism from the media--from Congress--
24 being directed at him for what appeared to be--what prosecu-
25 tive judgment he would be rendering. And he was very

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71

1 concerned about it.

2 Q When, if you can recall, did you first become aware
3 that there were allegations being made by some of the
4 witnesses who had been interviewed of government involvement,
5 be it CIA or NSC involvement? I note on one of your notes
6 you have Hull CIA.

7 A I think this--I think he--if I'm not mistaken,
8 right from the start there were these allegations. I think
9 Kellner had indicated that this was part and parcel of what
10 the media was asserting.

11 Q When you say that this was part and parcel, does
12 that include the NSC-Oliver North allegations as well?

13 A I'm not sure whether they were specific in that
14 regard. There was certainly wrong-doing by government
15 officials. Whether it was NSC specifically--it was certainly
16 CIA involvement, because CIA, as I recall, right from the
17 start was certainly involved in this plot, if you will.

18 I can't answer your question precisely.

19 Q Do you recall any discussion or effort by main
20 Justice to postpone a sentencing for Mr. Garcia?

21 A By main Justice--

22 Q Let me just give you a little bit of background.

23 There was a pleading filed in March of 1986 by--over Mr.
24 Feldman's signature to seek a postponement of an impending
25 sentencing proceeding for Mr. Garcia. And one of the

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1 allegations in that is that the day before, a call had come
 2 in from main Justice asking for a postponement to explore
 3 further apparently the possibility that Mr. Garcia might
 4 cooperate.

5 A It may very well have come from me. I don't recall
 6 it. I do recall that the sentencing was postponed. What I
 7 thought--I don't recall specifically asking for the postpone-
 8 ment, but I certainly--we wanted to explore Garcia's coopera-
 9 tion. He was the source of this information. So--

10 Q Is it possible--go on, I'm sorry.

11 A --I mean, I don't recall specifically asking,
 12 "Let's postpone the sentencing," but it would certainly--it
 13 would be a tactical move that I can see myself suggesting.

14 Q Would you have suggested it prior to March 26th or
 15 when you saw that buck slip?

16 A I would have to say no, only because I don't recall
 17 knowing about this until I got the material. And I called
 18 Kellner, so I would have to assume no.

19 But when was that, if I may ask? You said that
 20 there was a pleading filed.

21 MS. NAUGHTON: Mid-March.

22 MR. MCGOUGH: Mid-March. March 19th, March 15th--
 23 something like that.

24 MR. RICHARD: I knew that there was a postponement
 25 of this. Then I have to assume that Kellner told me as part

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1 of the briefing. He was briefing me. He was giving me the
2 update of what was going on. So he was bringing me into the
3 picture; I wasn't bringing him into the picture.

4 The fact that a postponement of sentencing occurred
5 so as to first explore a proffer of cooperation would be to
6 me a logical step to take. I don't--just the dates suggest
7 that I didn't do it. But it would be a logical step. If
8 someone said, "Should we?", I would say, "By all means."

9 BY MR. McGOUGH:

10 Q Was there anyone else in your section or under your
11 supervision involved in this matter?

12 A Well, the Internal Security Section was getting
13 reports all the time from the FBI and what have you. Whether
14 they were in touch directly with Kellner, I can't say. I'm
15 sure--I mean, if I recall correctly, the memo reflects
16 somewhat daily contact with the Internal Security Section by
17 the FBI on the matter. They were apprised of what was going
18 on.

19 Q Did you delegate responsibility for the case to
20 anyone in specific?

21 A When you say delegate--Internal Security was
22 responsible for following the case. It's the Neutrality Act.
23 They worked historically very close with the FBI. It's a
24 close relationship.

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25 Did I delegate specifically anything beyond that?

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1 No.

2 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
3 COMMITTEE

4 BY MS. NAUGHTON:

5 Q Would it have been unusual for anyone in the
6 Internal Security Section to call the U.S. attorney as
7 opposed to calling the assistant working on the case?

8 A To call the U.S. attorney?

9 Q Yes. In other words, to call Mr. Kellner as
10 opposed to Mr. Feldman.

11 A In answer to your question, no, I don't think it
12 would be unusual for, say, someone in the management staff to
13 call the U.S. attorney. I'm not aware that anybody did make
14 such a call. But in answer to your question, it wouldn't be
15 unusual for someone in a senior position to call directly the
16 U.S. attorney.

17 Q Well, as I recall, I think Mr. Marum--is that his
18 name?

19 A Tom Marum.

20 Q Tom Marum?

21 A He's the deputy.

22 Q He was sort of coordinating this.

23 A He does most of the neutrality work at the Internal
24 Security Section.

25 Q Did he tell you that he had spoken to either Leon

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1 Kellner or Jeff Feldman?

2 A No. I don't recall him ever mentioning any
3 contact.

4 Backing up to complete the record, there was a
5 meeting later in October in which Kellner was in Washington.
6 I'm not sure whether Marum was there, but the FBI was there,
7 Internal Security, maybe Tom Marum was there--among other
8 things, to discuss the status of a case.

9 Again, I just don't have any recollection of this
10 before the buck tag date. But I--like I say, if there's a
11 question of a cooperating witness--should we postpone the
12 sentencing until we have interviewed the witness, obviously
13 I'd say do it.

14 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
15 COMMITTEE

16 BY MR. McGOUGH:

17 Q Let's look at the notes, if you could. I know
18 it'll be a bit time-consuming, but given your handwriting, it
19 would be helpful if you could just read the notes to us so
20 that we have a clean record of what they say.

21 You're referring to the second page, now, of the
22 exhibit. Do you think they're reversed in time?

23 A I do believe so. Well, not necessarily reversed in
24 time as they are in order.

25 Q All right. So starting at the top of the second

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1 page of what has been marked as Exhibit 3.

2 A "Court probation.

3 "Garcia's wife.

4 "Allan Sam--lunatic--but used him to make"--well,
5 again, these are incomplete sentences, and I apologize for it

6 "12/85--conviction on gun charge.

7 "public defender tells AUSA that in February '85
8 Miami Garcia, Carr, Thomas, Hall or Hull, Jones, Carter,
9 Carbo--meeting in Miami.

10 "Discussed blowing up three embassies, killing
11 Tambs, and gun-running.

12 Okay--"We corroborate"--I don't know--"with their
13 people in Miami.

14 "In 3/85--Thompson, Carr--weapons to Costa Rica for
15 above operation. Carr and Thompson and two others arrested
16 in Costa Rica.

17 "1/7/86--Garcia polygraphed.

18 "1/14--inconclusive on assassination--deceptive on
19 Posey"--this again is Kellner relaying to me.

20 "January '86--FBI asked that Carr and Thompson be
21 interviewed. Carr and Thompson deny participation. Admit,
22 however, guns. Heard of plot in jail.

23 "Garcia, Jose Cotin--1/16/86--FBI interviews.

24 Implicated in Zeal murder (provided murder weapon). Refers
25 FBI to Terrell.

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1 "FBI interviews Terrell. Terrell confirms Garcia's
2 story but"--well--"Terrell says it's all hearsay. 'Heard it
3 around.' Terrell say story.

4 "Frank Castro representing Ochoa at meeting, who
5 says to group would pay \$1 million to kill Tambs. Believes
6 that Tams^b and CIA had killed Corea. Corea killed at CIA
7 request.

8 "Terrell saying that CIA reps present at the
9 meeting"--representatives of the CIA were present at the
10 meeting. "Killing of Tambs, three embassies--U.S./Honduras
11 and Costa Rica and Russian embassy and Costa Rica--making it
12 all look like Sandinistas. Castro says Ochoa doesn't care
13 who gets credit.

14 "Garcia--tentatively"--I assume scheduled--"tenta-
15 tively on Monday"--crossed off--"Tuesday.

16 "Claiming that he be prosecuted because he wouldn't
17 go along. Tony Avignon visits Carr and Thompson.

18 "Worked for assistant public defender in Miami.
19 Tony visits Carr and Thompson. Tony Avignon says he also
20 worked for '60 Minutes'.

21 "Public defender believes it's all a CIA plot--CBS
22 has the story.

23 "Co-pilot--Vasquez--son of gun runner.

24 "Summary--has case on gun charges--possibly
25 ^{act} Neutrality ~~Case~~ violation.

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78

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1 "Hull--CIA."

2 Like I said, scratch notes of my telephone conver-
3 sation.

4 Q Would this all have been one telephone conversation?

5 A I would venture to say yes, which--although it's
6 quite possible that it's not. And I say that because the
7 second page, where it says, "Has case on gun charges," I
8 specifically recall that conversation when he reached that
9 tentative assessment. That was later on in the process.

10 The earlier notes seem to suggest an earlier period
11 in time. So it is possible that this top page is in time
12 subsequent to the second page.

13 Q There was mention of lie detector tests. Did you
14 ever learn--or to your knowledge were the lie detector or the
15 polygraph results ever submitted to Washington for re-
16 interpretation or review--the Garcia polygraph material?

17 A Re-interpretation? There was an initial report that
18 I have seen indicating that he had passed the polygraph.
19 That was contained in a memo that I saw from Clark, who is the
20 head of the Criminal Investigative Division, to--

21 MS. NAUGHTON: Excuse me--of the FBI.

22 MR. RICHARD: --of the FBI, I'm sorry--to either
23 Buck Revel or Judge Webster. I don't recall.

24 There's a memo from Clark that pre-dates the memo
25 that was attached to the memo which went to Jensen--or was

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79

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1 addressed to Jensen. That memo characterized the results of
2 a polygraph different, if I recall correctly, than how it was
3 characterized in the memo to Jensen. I believe that--that
4 can be changed just looking at the memos.

5 But I don't recall it being resubmitted subsequent
6 to that point. Whether it had been done prior, I don't know.

7 But when you say--my understanding of the process
8 is that the field ^{polygrapher} ~~earranger~~--the individual out in the
9 field--makes a tentative assessment and then sends the
10 results to Washington, where they are--I don't want to say
11 re-interpreted, but the final interpretation is made out of
12 Washington. That's my understanding. Now, I may be wrong.

13 Q Do you understand--or do you have any understanding
14 or knowledge as to how the results--the statement of the
15 results changed between the Clark memo and the Revel memo?

16 A No.

17 Q Did you know whether it was a matter of Mr. Clark
18 just having his facts wrong or someone else later looking at
19 the results and saying, "No. He didn't pass. It's incon-
20 clusive"?

21 A I can't--I mean, I don't know. But I hope you
22 appreciate--I don't credit much, in my experience, the
23 results of polygraphs. So to me it's not a critical element
24 whether someone says that the individual passed or didn't
25 pass. So it wouldn't bug me whether it said he passed or he

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1 didn't. I mean, it just wouldn't be of major consideration--
2 the results of polygraphs. That's my own view of the results.

3 Q Now, after your initial buck slip from Mr. Trott,
4 did you have any further contact with Trott, Jensen, or the
5 attorney general on this case that you can recall?

6 A I don't recall specifically discussing it with
7 either--I certainly didn't discuss it with the attorney
8 general. I have no recollection of discussing it with
9 Jensen. I have no specific recollection of discussing it
10 with Steve Trott, but I would have to say I had to have
11 discussed it. I mean, just knowing my practice and what I
12 would normally do.

13 But I have, in answer to your question, no specific
14 recollection of doing so.

15 Q If you look at Exhibit 2, which is the actual buck
16 slip--or page two of Exhibit 2, which is the buck slip--I
17 think there's an indication on there--"See me"--circled in
18 the transmittal slip. Does that refresh your recollection?

19 A No, not really. I mean, I can't close my eyes and
20 picture a discussion with Steve Trott, but I am sure that I
21 would have. This is something that I would routinely have
22 kept him apprised of.

23 There are so many things that I would and still--
24 keep an assistant attorney general aware of. I am sure I did
25 that.

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81

1 Q To the best of your knowledge, how many times did
2 you discuss the case with Mr. Kellner?

3 A Probably I believe three times on the telephone.
4 Probably.

5 And once in person, that one being in October when
6 we had--he was participating in a broader session, if you
7 will, as part of, I think, our efforts in October to try to
8 get a better grasp of all of these cases. And after that
9 session, which ended focusing on just one case--not this case
10 but a different case--after that meeting broke, I think we
11 began a discussion of the status of this case.

12 MR. McGOUGH: Let's have this marked as Exhibit 4.
13 This appears to be a list of individuals who attended a
14 meeting--the type of sheet you would pass around for a sign-
15 up.

16 MR. RICHARD: Yes.

17 [The document referred to was marked for identifi-
18 cation as Richard Deposition Exhibit No. 4.]

19 BY MR. McGOUGH:

20 Q Scanning down the list of people there, you'll note
21 about midway or two thirds of the way down is Leon Kellner's
22 name. Is this the meeting to which you were referring?

23 A There were several meetings convened by Bill Weld--
24 like I say--across the board. This looks like a sign-in
25 sheet for one of them. I say that because if you notice the

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82

1 participants include our Fraud Section, our Narcotics
2 Section. There are a variety of cases.

3 It was after a session like this where we ended up
4 essentially spending most of our time on the humanitarian aid
5 case.

6 Q When you say "we," you mean you and Mr. Kellner?

7 A The group--the entire group. We constantly tended
8 to get bogged down.

9 And after that meeting broke--and it was at the end
10 of the day--I recall grabbing the people--grabbing is the
11 wrong term--but suggesting, "Hey, look. Let's wait a few
12 minutes and discuss this case"--however you want to caption
13 it--the Posey case, the Costa case.

14 So of this group, the interested parties remained.
15 I don't think you'll find--if my memory serves me correct--
16 you won't find another sheet for that because it was a tag-on
17 to a meeting like this.

18 Q Who were the interested parties that remained for
19 that meeting?

20 A Myself, Leon Kellner, people from the Internal
21 Security Section were there. Now, if it's a tag-on to this,
22 I have to assume Tom Marum and Joe Tafe, the FBI--and I would
23 assume that was Gail Burton. In this case, you had--let me
24 see--George Van Balen. Al Seddon would be the logical one, I
25 think, at that time, because he is the principle unit chief--

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83

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1 or I think his title is over at the FBI on Neutrality Act
2 issues.

3 So I suspect this type of complement, if you will.

4 Q You recall--I'm skipping a little in time--but do
5 you recall receiving the memo under Mr. Feldman's name in
6 June of 1986?

7 A That's correct.

8 Q And that memo at the end, I believe, concluded that
9 it was premature to issue grand jury subpoenas. Up until
10 that point, had you discussed with Mr. Kellner or anyone in
11 the Southern District whether or not the matter was ready to
12 be--that subpoenas should be issued in the case?

13 A No. I recall no discussion. In fact, I think if
14 you look at the attached FBI memo, I think their suggestion
15 was that it was at that time already in the grand jury. I
16 made the mistake of following that suggestion.

17 Q By issuing the memo that was attached to the buck
18 slip that came to you.

19 A Or the earlier one--the one--I'm not sure when I
20 got the earlier one, but it was a day or two earlier in date.
21 It was the Clark to either Revel or Webster.

22 There was a reference, I think, in just reviewing
23 the material at some point, because this--I noticed that it
24 represented that there was a grand jury either sitting or was
25 about to sit.

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1 Q When you got the Feldman memo, if I can call it
2 that--the memo that came out in June--at the end it said it
3 was premature to go to a grand jury and listed some reasons.
4 Did you find that surprising in light of the March memo from
5 the FBI saying that a grand jury was ready to go?

6 A I didn't pick the connection up, and that connec-
7 tion I only made recently, because the issue of going to the
8 grand jury or of not going to the grand jury, as far as I was
9 concerned, was never an issue until allegations surfaced that
10 somehow there was an attempt either to influence timing or
11 what have you.

12 So it was never, to me, a critical question whether
13 to go into a grand jury or not. It was a tactical judgment
14 that I would routinely defer to a USA. If he wants--he
15 thinks he needs to go into a grand jury--fine. If he thinks
16 it's premature--fine.

17 Q But you don't recall discussing it with him up to
18 that point.

19 A He may have said--at that point, no. In October
20 when we met he was still saying, "Hey, it's just too early."
21 Nobody at the October meeting was saying no, no, no. Get it
22 to a grand jury.

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23 Again, it was a tactical judgment.

24 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
25 COMMITTEE

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BY MS. NAUGHTON:

Q Could I clarify that?

In October, when he was saying it's still too early to go to grand jury--when someone says go to grand jury, they can either mean indictment or subpoenas.

A No, no. He was saying--at least I interpreted it-- he was certainly not saying, "I'm going to return an indictment," or "It's too early to return an indictment." I didn't interpret that at all.

What I interpreted it as was bringing substantive witnesses before a grand jury for an interrogation. I'm not even talking about using grand jury process. I'm talking about bringing witness--fact witnesses in for questioning.

Q What about grand jury subpoenas? Would you ever discuss with Mr. Kellner the timing or wisdom of issuing subpoenas for things like bank records and so forth?

A No. Again, he may have mentioned that he was going to do it this way or that way.

I mean, again, if--I didn't care one way or the other whether he used subpoenas or didn't. It was not an event^{of}ive moment in my thinking. If he thought it was right to use a grand jury subpoena, that's fine with me. If he thought it was premature or tactically unwise, that was fine with me as well.

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COMMITTEE

BY MR. McGOUGH:

Q After getting the memorandum in June, do you recall following up on the matter at all or having any other contact with the case until the October meeting you described?

A Well, again, I can't put the timing. There was a point in time when I spoke to Kellner, and he gave me this preliminary assessment. I can't put it before or after the Feldman memo.

I have no specific recollection, but during this period--there are highs and lows with Mr. Kellner in my dealings with him, meaning that he is very much involved in narcotics enforcement in the Caribbean and South America. This is a major priority for me, dealing with extradition treaties, mutual legal assistance, the use of grand jury subpoenas to acquire records ^{abroad} ~~or~~ broaden the--doctrine developed out of his district. Those are of critical importance to me.

There was a point in time in this summer ~~here~~ where I recall a trip to Colombia--or from Colombia--where he asked me to stop by and talk to his staff about the situation regarding Ochoa in particular. These are prosecutors who are moving very aggressively against these international traffickers at great personal risk. And they took issue with some of the approaches we were trying to take with the Colombian

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87

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1 government.

2 Kellner asked me to meet with them and explain the
 3 rationale that we were employing and which I did en route
 4 either to Bogota or from Bogota. Could I have discussed it
 5 with him at that point? Conceivably yes.

6 I would just stress this wasn't--at least in my
 7 mind--a big-deal case. It looked like a case where you had
 8 questionable witnesses, highly suspect motivations--something
 9 that obviously had to be investigated that was being inves-
 10 tigated. I didn't detect any unusual interest in my superiors
 11 on the case, and to me it was largely being handled in a
 12 routine, expeditious fashion.

13 It just wasn't something that I would remember or
 14 feel that I was compelled to make detailed calendar notes.

15 Q Did Mr. Kellner come to you or forward to you or
 16 give to you affidavits via Mr. Hull that made allegations
 17 about either Senator Kerry or members of his staff?

18 A Yes. He called me up--I'm glad you reminded me of
 19 it. He did call me up, and he said that he just received
 20 this. Apparently this package had been sent to selected
 21 members of the Congress as well to the U.S. attorney.

22 He said that it reflected all sorts of questionable
 23 activities by the senator--let me retract--not by the senator
 24 but by the senator's staff. And I think, if I'm not mistaken,
 25 reporters themselves--attempts to influence testimony and not

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88

1 suborn perjury and the like.

2 I think there probably could be a package available
3 to you of what the allegations were.

4 I said, "Send it up, we'll take a look at it." He
5 did.

MR 6 I forwarded it to Steve Trott with a note ^{on how it was} to be
7 handled--I think I gave him a couple of options along with my
8 recommendation. To wit, either refer to the Public Integrity
9 Section of our division, which has responsibility for
10 questionable activities by government officials, or before
11 deciding that, go interview Hull or try to get an interview
12 with him and see whether he's going to be willing to be
13 interviewed.

14 Steve Trott, I believe, sent it to Jack Keeney for
15 Keeney's comments, and I believe ultimately it was decided
16 let's ask the FBI to go and see whether Mr. Hull is willing
17 to submit to interview now about this.

18 And we sent it to the FBI, and I'm not sure whether
19 the FBI made the attempt and if so, the results of it. I've
20 never seen a report on it.

21 Q Did you ever get back to Mr. Kellner on that at all?

22 A I have to assume--I don't recall specifically
23 telling him what we were doing.

24 Q Do you recall whether he sent them to you or
25 whether he delivered them in person?

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89

1 A I think he sent them.

2 Q Do you recall him coming to your office--or being
3 in your office and discussing the affidavits with you?

4 A He may have. I mean, it's not unusual for--Mr.
5 Kellner was in Washington frequently--I mean, he's in touch
6 with a variety of officials--to stop by and say hello.
7 Whether he did it--again, it's quite possible.

8 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
9 COMMITTEE

10 BY MS. NAUGHTON:

11 Q What was his demeanor when he was talking to you
12 about this? In other words, was he very upset about the
13 political ramifications or this, or was he--

14 A The whole--

15 Q The affidavits and the problems with Senator
16 Kerry's staff.

17 A Well, he was--I would describe him as feeling that
18 it vindicated his assessment that this was part of a situation
19 being manipulated by political forces where everybody had
20 their own agenda--in other words, was particularly pure from a
21 prosecutorial point of view. Garcia had his agenda--trying
22 to get out from under a situation, reporters trying to come
23 up with interesting stories, and Kerry's staff attempting to
24 discredit the actions of--I don't know who--the CIA, the
25 contras, or what.

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1 So I think this was the further vindication of an
2 approach that Kellner was articulating beginning from day
3 one--that he had skepticism about this whole situation.

4 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
5 COMMITTEE

6 BY MR. MCGOUGH:

7 Q Do you recall ever having any contact with anyone
8 other than Mr. Kellner in his office about this investigation?
9 Did you ever speak to Mr. Feldman?

10 A No, I don't believe so. I can't identify to you
11 the prosecutors I met with during that trip. I don't recall
12 speaking to them about this case. But it is conceivable that
13 one of them was Mr. Feldman. I mean, there were prosecutors
14 focusing--

15 Q Well, all I'm really asking you is whether you
16 recall discussing this case with anyone in that office other
17 than Mr. Kellner, like Mr. Feldman, Mr. Scharf--do you know
18 Larry Scharf?

19 A I don't know them. I may have met him, but I--

20 Q Mr. Gregory?

21 A I know Dick Gregory, but I don't recall any
22 discussion with him.

23 Q Miss Barnett?

24 A I know of her. I think she used to work for the
25 Criminal Division. But I know who she is. The substance--I

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1 don't think--I think she's an administrative assistant or
 2 something like that. I wouldn't discuss substance with her
 3 in any event.

4 Q How about David Liewant,, another assistant down
 5 there?

6 A No.

7 Q There was a point in time when, in response to
 8 press inquiries, main Justice issued a statement that there
 9 was in fact no investigation being conducted in this matter
 10 or that something--that it hadn't risen to the level of an
 11 investigation. This would have been, I believe, in about May.

12 MS. NAUGHTON: I was thinking April.

13 MR. McGOUGH: April or May of '86--out of the
 14 Public Information Office. Do you recall receiving any
 15 inquiries like that or--just for your point of reference--the
 16 people in the Southern District were quite upset when that
 17 statement was issued, because it seemed to fuel the specula-
 18 tion that they really weren't doing much.

19 MR. RICHARD: NO, no--in answer to your question, I
 20 have heard, as a result of your activities, this assertion.
 21 I certainly didn't pick it up at the time, and I'm not sure
 22 on what it was based. I can't answer.

23 I must confess, though, as you've seen, this whole
 24 matter has had many names now. I don't know whether it's
 25 just a breakdown in communication or what.

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92

1 BY MR. MCGOUGH:

2 Q Are you--what, if anything, do you know about the
3 attorney general's contact with the case?

4 A Nothing. I have never spoken with him. I have no
5 idea other than confused media accounts of purported conversa-
6 tions between him and Leon Kellner. But I have no first-hand
7 information.

8 Q To your knowledge, did anyone in the Department of
9 Justice, or for that matter anywhere in the federal govern-
10 ment, indicate to Mr. Feldman--Mr. Kellner in substance that
11 he should slow his investigation or handle it in any way
12 other than the way in which he might normally handle an
13 investigation of that kind?

14 A I have never told him--I never told him to slow the
15 investigation. When any issues like that come up in any
16 case, that's a significant move. And it's something I think
17 I would remember.

18 I am sure, though, I have discussed the statutes
19 with him--possible applicable statutes. And in that regard,
20 I have no recollection what I said to Kellner regarding the
21 statutes. But I know normally when I talk to a USA about the
22 neutrality laws and their applicability, I always alert him
23 that they are tricky statutes and statutes that require a
24 certain amount of research into them

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Now, I can only speculate how I may have phrased

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93

1 it--what I may have said to Kellner. But I have no recollec-
 2 tion of even discussing it with him--neutrality laws and what
 3 have you.

4 Q So that answer is no, you did not indicate to him
 5 that he should slow down the investigation.

6 A Slow down the investigation? No.

7 Q To your knowledge, did anyone else in the Department
 8 of Justice or anyone else in the federal government indicate
 9 to him that he should slow down the investigation?

10 A Not that I'm aware.

11 Q Did he ever discuss any such requests with you?

12 A Let me say--well, I was going to comment that I
 13 hadn't appreciated that there was any question about the
 14 ~~anonymity~~ ^{unanimity} of thinking in the Southern District of Florida
 15 until this whole issue arose in late '86--questions of
 16 Washington suggesting going slow and what have you in any
 17 regard. You know--the whole what-are-you-talking-about type
 18 of response on my part.

19 Q Did you ever discuss with Mr. Kellner the implica-
 20 tions of the case in regard to any pending votes in the
 21 United States Congress? Did you ever discuss votes about
 22 contra aid with Mr. Kellner?

23 A There was--quite candidly, throughout this period,
 24 there was always controversy on one aspect or another of the
 25 contra matter.

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94

1 And really, I think again, from my perspective, in
 2 dealing with something with--the administration issuing all
 3 sorts of statements saying, "Look. The CIA is not doing
 4 this. The NSC is not doing this. We were fighting by the
 5 Boland Amendment. We're doing this. We're acting in good
 6 faith in compliance with all laws." All this public dialogue
 7 going on.

8 As far as I'm concerned, we do our investigations,
 9 we take the investigation where the facts take us, and we
 10 make the judgment, and then we take the heat when it's not a
 11 particularly popular judgment. I mean, that's the approach.

12 MR. MCGOUGH: That's going to conclude my questions
 13 on this aspect of it.

14 Maybe Pam--I don't know if you have some follow-ups
 15 on some of the things I didn't cover.

16 MS. NAUGHTON: Yes, I do.

17 MR. MCGOUGH: But go ahead.

18 MS. NAUGHTON: I have a couple questions.

19 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
 20 COMMITTEE

21 BY MS. NAUGHTON:

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22 Q The memo that we've referred to as the Feldman memo
 23 that came to you in June of '86--was that generated for you?
 24 In other words, did you request it or expect it, or did that
 25 sort of come out of the blue?

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1 A No. It was in the course of a conversation that I
2 had requested Leon to keep me apprised--Leon Kellner to keep
3 me apprised of the status and developments.

4 And it was during the conversation--one of those
5 status discussions--that he said he had just received or he
6 has a memo giving a status report, which he would show me.
7 which he did.

8 He also showed me a copy of a complaint filed by--a
9 civil complaint filed by the reporters, I believe, that were
10 central to this case.

11 But the memo was not prepared at my request, in
12 answer to your question.

13 Q Were you ever apprised by the FBI or anybody else
14 regarding any connection by Glenn Robinette or Secord in that
15 lawsuit or in this investigation?

16 A I don't recall having any discussions with the FBI
17 regarding this particular case.

18 I don't remember any connection with Secord. I
19 remember just glancing over the complaint, and I think it was
20 kind of bizarre, but I don't recall whether there were
21 specific allegations involving Secord. It was really
22 lengthy, I guess you know.

23 Q As long we're on Secord, you described some of
24 these meetings in an attempt to sort of gather up all the
25 contra-related cases. On October 17, the House Judiciary

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96

1 Committee--a majority of the majority members sent an inquiry
2 for independent counsel.

3 I realize that's not your shop, but were you aware
4 of that request, and were you aware of any results that the
5 Public Integrity Section came to regarding Secord's involve-
6 ment with the contra re-supply operation?

7 A The answer to the second part of your question was
8 no--I couldn't tell you what they concluded.

9 I have to assume I was aware that there was another
10 request and therefore appointment of independent counsel. But
11 in routine fashion, I wouldn't get involved in resolving those
12 independent counsel issues.

13 Q Well, I was just wondering if that was, for
14 instance, a subject of the October meeting with Mr. Kellner.

15 A No. In fact, I don't even think--I think there
16 was--wait, wait, wait--one moment. I don't see anybody here
17 even from our Public Integrity Section and certainly not Jack
18 Keeney. And I have no recollection of any independent
19 counsel issues coming up at these meetings.

20 Q Do you--were you aware that the assistant U.S.
21 attorney and the FBI were going to down to Costa Rica the
22 first week in April?

23 A I don't know whether I was aware in advance. I
24 knew that they were there at a particular point in time.

25 Q Do you happen to know how many trips they took to

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97

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1 Costa Rica?

2 A I thought one, but they may have taken more.

3 Q Did you ever speak to anybody at the State Depart-
4 ment or any other agency regarding this case?

5 A I don't recall having any conversations with any
6 other agencies regarding this whole--I'm going through the
7 agencies. None comes to mind.

8 Q Were there ever any inquiries made, to your
9 knowledge, of the CIA regarding Mr. Hull?

10 A Inquiries by us?

11 Q Or you or--I understand--

12 A No, no, no. From us to the CIA?

13 Q Yeah.

14 A My understanding was that the CIA was denying any
15 relationship. I think that was from day one, as reflected in
16 FBI memos--that they were denying it

17 [REDACTED]
18 [REDACTED] But there
19 was no ongoing relationship.

20 Q When you spoke to Mr. Kellner the times that you
21 did speak to him, did he indicate to you that he was speaking
22 to anybody else in the Department of Justice?

23 A Kellner speaks to a lot of people at the department.
24 I don't mean facetiously.

25 Q Well, I mean on this particular case.

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98

1 A No, he never indicated--

2 Q He never referred to conversations with Mr. Jensen
3 to you or Mr. Trott.

4 A Concerning this case, no. But Mr. Kellner--he has
5 many problems which he deals with at that level, and he is in
6 touch with the Associate's Office, the Deputy's Office fairly
7 regularly.

8 But I have no knowledge on this.

9 Q But you never heard from either Kellner or from any
10 of those other people that they had been in touch on this
11 case?

12 A No.

13 Q Have you spoken to either the attorney general,
14 Judge Jensen, Mr. Trott, or Mr. Weld about this case--let's
15 say--since November of '86?

16 A Spoken in substance? No.

17 Let me go into the particulars. Certainly not the
18 attorney general. Jensen I haven't spoken to since he left
19 the department. Trott--no. I have spoken to both Weld and
20 Trott procedurally. I urged them to send this case over to
21 the independent counsel.

22 Those kinds of discussions--nothing about issues of
23 "Did you talk to Kellner or did you say anything?" I have
24 tried to avoid discussing it.

25 Now, I will add, if I may--I had a brief conversa-

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99

1 tion only recently with Kellner about the case only after
2 believing that your inquiries were over, because I had--well,
3 I had been in touch with him on other matters. I avoided
4 raising this case. And it was really in the context of again
5 the accusations that he has had to deal with about being
6 influenced improperly and so forth. And he was a little
7 miffed at all of this.

8 But it's a long way around. I hope I have answered
9 your question.

10 Q Did he tell you anything new that he had not told
11 you previously?

12 A No. Well, he just--you know, this is crazy. He
13 wasn't influence in any way and that he only just said, "It's
14 just crazy."

15 I mean, I really didn't go into details. I don't
16 remember this conversation--well, what did you say, what did
17 I say--it's not that kind of a conversation. It was just--
18 you know--here we are.

19 Q It's my understanding--please correct me if I'm
20 wrong--that Mr. Kellner did not want the case sent to the
21 independent counsel, but as a point of fact the independent
22 counsel reviewed it and decided not to take it. Is that
23 correct?

24 A I have no knowledge about his position. I know
25 we--I certainly urged it.

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1 Q That the independent counsel take the case?

2 A Yes. For--well--I was going to say for the same
3 reasons I urged independent counsel being appointed for the
4 whole thing.

5 I don't know Mr. Kellner's position on whether to
6 send it to the independent counsel or not.

7 Q I gather that until November 1986 you were not
8 aware of Oliver North's alleged involvement with this case or
9 Mr. Hull.

10 A When you say aware of it--I knew of allegations. I
11 mean, the allegations of North being involved were public--
12 yes on that regard.

13 Q Do you remember North's name coming up in connection
14 with this case?

15 A Yes. It was one of those--there was a long list of
16 names that were involved, if you will. And it was attributed,
17 if I ^{recall} correctly, to newspaper reports of his involvement in
18 contra activities.

19 Q Did Kellner specifically mention North or anyone
20 else at the NSC regarding this case?

21 A I have no recollection of it, except I would refer
22 you to the notes. Because I was scribbling down names, if
23 you will. And if he did, I assume it's on that first page
24 unless it's on the exhibit that you now have.

25 Q If you could give us then your arguments for

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101

1 wanting this case to be taken or assigned to the independent
2 counsel in December of '86.

3 A Well, I had--by that time there were the allegations
4 of Washington interference, abuse, improper dealings. I knew
5 Mr. Kellner's view of the prospects of making the case, and I
6 wasn't aware that the evidence had improved in any marked way
7 since then.

8 And in terms of the credibility of the department,
9 I thought it was important, given the existence of the
10 independent counsel, that the ultimate judgment--prosecutorial
11 judgment--be made by a component that is above suspicion in
12 the context of this whole matter.

13 So anything that I perceived as being controversial
14 and arguably falling within the independent counsel's
15 jurisdiction, I had been urging go over there. Because--I
16 mean, I viewed this ^{structure} ~~attention~~ as being designed to ensure
17 public confidence in the prosecutorial judgment being
18 rendered on a criminal matter. And that's my analysis.

19 Q Was my statement correct earlier that the indepen-
20 dent counsel then refused to take the case on?

21 A That's my understanding. That's correct. That's
22 my understanding.

23 Q Thank you. I don't have any other questions.

24 MR. MCGOUGH: Let's take a look at a couple of
25 other exhibits and just get a fix on what they may be. The

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102

1 first is Exhibit 5. Take a look at that, if you would, Mr.
2 Richard. Tell me what that is. Is it your handwriting,
3 first of all?

4 MR. RICHARD: I'd plead guilty to that.

5 [The document referred to was marked for identifi-
6 cation as Richard Deposition Exhibit No. 5.]

7 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
8 COMMITTEE

9 BY MR. MCGOUGH:

10 Q Can you give me some indication of what it refers
11 to?

12 A Again, this is scratch notes prepared, I believe,
13 following a conversation I had with the U.S. attorney in
14 Oklahoma.

15 Q Is that Bill Price?

16 A Bill Price. The date of December 11 suggests that
17 that's when I talked to him. I think he indicated that Bill
18 Hendricks of our Public Integrity Section, who was then, I
19 believe, shepherding a lot of the Iran matters for the
20 division, had been in touch with him previously.

21 And this is the gist of the conversation I had with
22 Mr. Price and his briefing of me regarding an individual who
23 had been arrested and his possible involvement in some
24 CIA/contra-related activities.

25 Q Now, about a third of the way down--the individual's

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103

1 name was Weekly? Is that--am I reading that correctly?

2 W-E-E-K-L-Y?

3 A Yes.

4 Q About a third of the way down it says--if I'm
5 reading correctly--"Weekly posts on tape that he's tied into
6 CIA and Hasenfus. Said he reports to people reporting to
7 Bush." What does that mean?

8 A I don't know what the post means, but apparently
9 there was a tape recording. Let me, if I may, just take a
10 second to read through the entire page.

11 Q Sure.

12 A Okay. This is a matter which had just arisen in
13 the U.S. Attorneys Office. I was getting briefed. I think
14 ultimately we referred it to the independent counsel, if I'm
15 not mistaken. And I don't know what happened to it.

16 It's an individual who has been arrested and is
17 asserting--or there is a suggestion of a relationship to the
18 CIA and Hasenfus and the exportation of explosives to the--
19 countries.

20 Q And he's alleging or indicating to someone that
21 he's connected with the CIA and that he is reporting to
22 people who report to Bush?

23 A That's what he's asserting.

24 Q What is the current status, if you know?

25 A I cannot--as far as I recall, it was referred to

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1 the--

2 Q Referred to the IC.

3 A --to the IC, and I just don't know the status.

4 MR. MCGOUGH: Let's take a look at Deposition
5 Exhibit 6. If the court reporter--are you collecting the
6 exhibits? We'll give them all to you.

7 [The document referred to was marked for identifi-
8 cation as Richard Deposition Exhibit No. 6.]

9 BY MR. MCGOUGH:

10 Q Now, I surmise that this is not your handwriting on
11 Deposition Exhibit 6. Do you recognize whose handwriting it
12 is?

13 A No.

14 Q Were you present at a briefing on or about 11/24/86
15 at which the Kellner situation was discussed?

16 A Who was present?

17 Q Were you present? This would have been Monday of
18 the--the day before the president's press conference.

19 A I don't recall any such meeting.

20 Q Let me ask you what may be kind of a general
21 conclusory question on this area, and that is to your
22 knowledge or in your opinion, was there anything about Mr.
23 Kellner's or Mr. Feldman's handling of the Garcia-Costa
24 investigation that you felt or feel was inappropriate?

25 A No. I've dealt with Leon Kellner now for five,

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105

1 six, seven, eight years. I have the highest regard for him,
2 and I think he's a fine prosecutor. I have no reason at all
3 to question his handling of this case.

4 Q Let's turn to the Southern Air Transport matter or
5 investigation.

6 Shortly after the Hasenfus C-123 crash, did you
7 learn of an investigation by the FBI into the ownership and
8 operation of the plane that had gone down?

9 A Do you want me to do a narrative or just--

10 Q Yeah. I mean, is that a fair starting place, when
11 Hasenfus--as the place for your first contact with that
12 investigation?

13 A Yes. Do you want me to just give you a narrative?

14 Q Give me the narrative.

15 A Okay. The plane goes down on approximately October
16 8th or so--or 7th, maybe--of '86. And then there are press
17 reports of the department running an investigation into the
18 matter.

19 Bill Weld asked me--Bill Weld, the assistant
20 attorney general--asked me what I knew about it and at that
21 time I didn't know anything about the investigation.

22 I called Tom Marum, who was familiar with the press
23 reports of the investigation, but he was not familiar with

24 *it beyond that.*

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25 And again, it is the practice that a Neutrality Act

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106

1 violation is generally run by the Internal Security Section
2 before even a preliminary is done, just for concurrence of
3 the Internal Security Section that it's warranted. But no
4 such contacts had been made, according to Tom.

5 I called Leon Kellner. I asked him what's going
6 on. He was very--angry may be too strong, but annoyed--
7 because he was getting hit with all sorts of press inquiries,
8 and he knew nothing about the pending investigation.

9 Q Can you give me a time frame of your conversation
10 with Mr. Kellner?

11 A It would probably be the 8th or the 9th of October.

12 And as I said, he didn't know who authorized it,
13 but apparently there was FBI work at the Miami field office
14 level.

15 What next occurred at my request--I had to ask Tom
16 to find out what's going on, and Tom Marum sent over to me an
17 FBI teletype from the Miami office to headquarters--a copy of
18 that. And attached to it, he put a buck tag, and the buck
19 tag, if I recall correctly, indicated that Buck Revel at the
20 FBI--I forget the phraseology--was reluctant to or had
21 ordered that no further investigation be done because he--
22 Revel--apparently believed that it was a CIA operation.

23 Q Now, what--this is a buck tag from?

24 A Tom to me.

25 Q Handwritten?

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107

1 A Maybe typed. It's just a--it's a transmittal
2 sheet, and it just--

3 Q Reflecting a conversation with Buck Revel?

4 A No, I don't believe it reflects the source of that
5 information other than the bureau. Tom Marum, I doubt very
6 much, would ^{have} ~~be~~ talked with Buck Revel.

7 So presumably it would be Al Seddon or somebody
8 else at the FBI that Tom is getting this information from.

9 That memo comes over. I brief Weld on this.

10 Q Can you put a time frame on that?

11 A Again, all this is, I think, the same day.

12 Q October 8th or 9th?

13 A Yeah. Yes.

14 Now, Tom had asked the bureau--the FBI--to question
15 the CIA about--you know--is there a relationship to the
16 operation, if you will, of the Hasenfus matter? What is the
17 relationship, if anything? That's where the matter stood on
18 that day, as I recall.

19 The next day, which I guess would be the 10th, I
20 get a call from Buck Revel asking me to come over to discuss
21 the matter. I mentioned that to Weld, who had asked me to
22 find out what's going on and keep him apprised of what's
23 occurring.

24 I went over to Buck Revel. I met in his office
25 with him. And I believe he--well, another agent--I believe

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108

1 his last name is Miller--Dennis Miller or something like
 2 that, but he's, I think, assigned to their general counsel¹²
 3 type office.

4 And Revel said--he explained, as I recall, that the
 5 field office had gone off without headquarters' authori-
 6 zation, which is contrary to--apparently to their procedure.
 7 And they had begun a preliminary inquiry. And that's how the
 8 matter got started.

9 And he began asking where I thought this matter
 10 should go. I was skeptical about our jurisdiction. As I
 11 appreciated the facts and from media and the letterhead memo,
 12 we had a plane that had last been in the United States, I
 13 think, three or four weeks before. It had gone down in a
 14 foreign jurisdiction apparently loaded with arms, had an
 15 American national--an American national was on board. But
 16 that was it.

17 And I questioned--well, what is the jurisdictional
 18 base? I mean, are we to assume that the arms that Hasenfus
 19 was throwing out of the plane necessarily came from the
 20 United States? And I saw this as a serious question, because
 21 I couldn't believe the plane would take off and then sit
 22 around for four weeks before discharging its cargo over
 23 wherever it was--Nicaragua.

24 So I approached the conversation of where do we go
 25 from here with a certain amount of skepticism whether we had

UNCLASSIFIED

109

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1 sufficient bases for even a preliminary inquiry.

2 We began discussing what could be done, and he
3 says--and the discussion led me to believe that we could
4 resolve certain things. We could take a look at the airline,
5 the manifest, the last time it was there, and something
6 focusing on the airlines.

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7 And we had ultimately--by the end of the conversa-
8 tion, which lasted 20 or 30 minutes--we had--you know--let's
9 do some preliminary work to see whether we have a jurisdic-
10 tional basis for a full-blown inquiry.

11 I vaguely recall Buck mentioning that he had been
12 contacted by North, who was making an inquiry as to what was
13 going on. I don't know whether it was North or the NSC, but
14 I have in the back of my mind a comment that he had made
15 during the course of the conversation that he was--he had
16 received in an inquiry on that.

17 Q This was in the Cost conversation on October 10?

18 A That's correct.

19 And that's where we were at that time. I came
20 back, I briefed Bill Weld and Tom Marum, if I recall cor-
21 rectly. I don't recall mentioning it to Leon Kellner,
22 although logic would suggest that I would have also called
23 Kellner, but I have no specific recollection of doing that.

24 And that's where the matter stood until November.

25 Q Let me back up for a moment here before we go to

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1 November.

2 Can you be any more specific about what Mr. Revel
3 told you Oliver North had told him?

4 A I'm not sure it was as specific as Oliver North or
5 else something more general like the NSC--just that they were
6 asking again the same type of question that Bill Weld was
7 asking--what's going on? And that's the extent of my
8 recollection.

9 Q There was an inquiry from North--or the NSC,
10 rather--the provision of information or request to do
11 something or not to do something.

12 A That's correct. I have this generalized recollec-
13 tion that this was a prefatory statement that Buck Revel made.

14 Q All right. So we go to the next step.

15 A The next--and here I may have my dates wrong. I
16 don't have any dates to offer.

17 But there came a point in time when I ^{was} got a call
18 from defense counsel for Hasenfus--Spaulding firm in Atlanta.
19 They were asking for some assistance from the Criminal
20 Division with respect to legal research and precedent and
21 opposition on a variety of legal issues.

22 And I called the State Department--Mike Cosack, I
23 think, in particular. He was with the Legal Advisor's
24 Office. I basically said, "Are you working with them? What
25 is our relationship to defense counsel?"

UNCLASSIFIED

UNCLASSIFIED

111

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1 And he said, "Well, Hasenfus is a private citizen.
 2 He's not a government employee, and we should treat counsel
 3 as we would in any situation where an American national
 4 abroad gets into trouble and hires defense counsel to
 5 represent him in a foreign country," and basically that there
 6 is no governmental relationship to Hasenfus.

7 And it was on that basis that we dealt with
 8 Hasenfus' attorneys. We gave them good public record
 9 information, but nothing beyond that in terms of assistance
 10 and what have you.

11 Now, I'm having difficulty pinpointing when that
 12 defense counsel issue occurred, but the next ^{time} ~~even~~ that I'm
 13 aware of ^{anything} occurring on this matter is in November, when John
 14 Martin, the head of the Internal Security Section, sent a
 15 memo to Weld which, in the paper process, has to cross my
 16 desk, attaching to John's memo a copy of a note from Judge
 17 Webster to Floyd Clark, a memo reflecting a request from, I
 18 think, the attorney general, requesting a delay of the
 19 inquiry for ten days because of some pending potential impact
 20 on hostage negotiations or something like that.

21 That was the first I was aware of that there was a
 22 delay or that there was any request for a delay. I was not
 23 familiar with this request. I showed it to Jack Keeney
 24 because it concerned me no end that we were in the midst of a
 25 request for a delay in a criminal investigation for reasons

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112

1 that were not particularly clear to me. There was just a lot
 2 of--this was a point in time where a lot of what is now the
 3 Iran matter was becoming public, and it's just very confused.
 4 And I was distressed to see this kind of memo.

mk 5 I brought it into Mr. Weld. He shared, I think, my
 6 concern and suggested I raise it with Steve Trott. John's
 7 memo--John Martin's memo--had indicated that we, because the
 8 initial request was only for a ten-day delay and that ten
 9 days had long expired, that he--John--unless he heard to the
 10 contrary would assume that it had elapsed and a request for
 11 delay was no longer operative.

12 Q So by the time you saw it, the ten days had already
 13 expired.

14 A Yes. I can't--let me see if I have a date. Well,
 15 yes--Judge Webster's memo apparently was dated October 31,
 16 and this is something hitting my desk on the 12th of November.

17 Q And up until that point you had not been aware that
 18 there was a request for a hold-up in the investigation?

19 A That's correct.

20 Coincidentally, John Martin and I were scheduled to
 21 meet with Steve Trott that same day on, I think, the Walker
 22 case--spy case. And Bill, aware of this, suggested that we
 23 raise it with Steve at that time--Steve Trott--at that time.

24 Q Was Mr. Weld aware of the ten-day delay?

25 A He did not indicate any foreknowledge of that

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113

1 delay. He appeared as surprised as I was.

2 At the meeting later that day with Steve Trott, I
3 took the occasion to raise it. I showed him John Martin's
4 memo and Judge Webster's memo.

5 My recollection is he tried to reach the director
6 to find out whether--I'm sorry--to discuss the status and was
7 not successful. And he said he would get back to us.

8 Q Did Mr. Trott appear to have any prior knowledge of
9 the ten-day delay?

10 A Yes.

11 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
12 COMMITTEE

13 BY MS. NAUGHTON:

14 Q Did he explain to you what the purpose of the delay
15 was?

16 A I don't believe so. Other than that it was related
17 to our attempts to secure the release of the hostages.

18 Quite candidly, the memo--Webster's memo to Clark--
19 reflects hostages. But I must confess that in my own mind I
20 had thought they were talking about a trade for Hasenfus,
21 because at or about the same time there were public reports
22 of Judge Bell, who was representing Hasenfus in Nicaragua,
23 talking about trades with the Nicaraguans. But I had this
24 notion of this connection, if you will, to the Hasenfus case.

At any rate, Steve Trott I do not recall going into

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114

1 any of the bases for the request.

2 Q I guess I'm not clear then, because you said
3 earlier that you were a bit concerned because all of the
4 public hoopla over the Iranian arms deal had of course come
5 to light in the past week or so. Did you not then connect
6 Webster's memo?

7 A The whole question of--I'm not sure how I can
8 answer. I recall in my own mind speculating that it was a
9 Hasenfus trade. Whether the--how that came up in the context
10 of what was going on publicly at that time, I don't recall.
11 I remember I was speculating that it was a Hasenfus trade.

12 I just--a request for delaying an investigation for
13 whatever reason is a serious question. Now, it's done.
14 There are legitimate enforcement reasons for doing it. But
15 in this context at this time, it just looked like a bad--

16 Q When did you first make the connection, then,
17 between the Webster memo in reference to hostages and what
18 was going on in Iran?

19 A I'm not sure. I would have to say after I learned
20 of the nature of it, I'm not sure that I connected it with
21 the hostages in Iran.

22 Q In other words, Trott did not tell you that.

23 A I don't believe he did.

24 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
25 COMMITTEE

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115

BY MR. MCGOUGH:

Q In your conversation with Mr. Trott, he indicated that he would check with Webster.

A That's correct. He tried to place a call while we were there. Judge Webster was not available.

Q The memo from--that Mr. Martin forwarded to you--reflected that Attorney General Meese had initially requested the delay from Director Webster, did it not?

A I don't recall--it's reflected in the memo. I'm not sure whether it reflects that Steve Trott had asked Judge Webster for the delay or the attorney general had asked for it. I just don't recall the particular--

Q I guess my question is why would either Mr.--if it were Mr. Trott who requested the delay initially, why would he be checking with Judge Webster to see if it was okay to lift the delay?

A No. But the delay had already been lifted. The ten days had expired.

The ten days had expired already by the time we were talking with Steve Trott, and what I assumed was that the call to Webster was designed to see ^{how} we resumed it--
~~how~~ we resumed the inquiry.

Q Was there any mention of the attorney general in that conversation?

A Oh, I believe Steve Trott had indicated that he had

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UNCLASSIFIED

116

1 requested the delay at the behest of the attorney general.

2 Q Was there any indication by Mr. Trott that he would
3 check with the attorney general to see if it was all right to
4 lift the delay?

5 A No, that's not my recollection. My recollection is
6 only to check with Judge Webster to see whether the delay had
7 been lifted.

8 Q What happened next?

9 A I think, by and large, everybody knows of the
10 events dealing with the Hasenfus matter that I'm aware of.

11 Q In your discussion with Mr. Trott, did Oliver
12 North's name come up in any way?

13 A I don't recall that.

14 Q How about the National Security Council as a whole?

15 A I don't know whether it was at that meeting or in a
16 subsequent conversation with Mr. Trott where I was led to
17 believe that all of this came at the behest of the National
18 Security Council. I don't believe that that was discussed on
19 the occasion of the meeting with John Martin and Mr. Trott.

20 Q Was there any discussion about why a delay was
21 necessary in the first place?

22 A No. No substantive discussion that I recall.

23 MR. McGOUGH: That's all I have.

24 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
25 COMMITTEE

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UNCLASSIFIED

117

BY MS. NAUGHTON:

Q Was that--was the Hasenfus case discussed at that October meeting--that big meeting that Weld called regarding the contra--

A There were two meetings that Weld had called. Both of them got bogged down, I think, on both occasions on the humanitarian case, if I'm not mistaken.

Q You don't recall any substantive discussion.

A No.

Q Were you aware of a parallel Customs investigation of SAT?

A No, I wasn't until public revelations that apparently there had been a parallel request made of Customs.

Q So the FBI--Revel--did not indicate to you that he knew of a Customs investigation.

A I don't recall. He may have indicated that Customs was doing their own investigation, or--I cannot say--he may have mentioned it.

Q Did Trott mention it?

A No.

Q Do you know--as a matter of course, before a Customs agent in the field can initiate an investigation--my understanding is they focused on the plane as opposed to the cargo. Would they also have checked with main Justice?

A They don't need our authority to investigate. The

UNCLASSIFIED

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UNCLASSIFIED

118

1 predicate, if you will, for the FBI, was a possible neutrality
2 violation. The predicate for a Customs investigation would
3 be illegal exportation of equipment.

4 Again, it's one of those parallel overlapping
5 jurisdiction.

6 Q Did you during the course of this--now, this is,
7 let's say, from October 6 until November 20 or so--speak to
8 anybody at Customs, specifically Rafe Lopez or--

9 A Did I speak to him?

10 Q --or anybody about their investigation?

11 A No. I did not. I know these individuals, obvi-
12 ously.

13 MS. NAUGHTON: That's all I have.

14 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
15 COMMITTEE

16 BY MR. McGOUGH:

17 Q Let's turn to [REDACTED] When did you first
18 become aware of the [REDACTED] prosecution?

19 A Probably when he was in [REDACTED] probably went back
20 to '85.

21 Q You were aware--you were tracking the--you weren't
22 tracking--but you were aware of the prosecution from its
23 inception. Is that fair to say?

24 A No. My interest was in connection with the
25 operation of the Office of International Affairs. I forget

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119

1 the sequence, but he had fled, and he was, I think, in [REDACTED]
2 And we were making some efforts to extradite or persuade the
3 [REDACTED] to expel him. And it was in that connection, I
4 believe, I first had contact with the case.

5 Q Did there come a time when someone initiated or--
6 when there were discussions about giving [REDACTED] some
7 consideration on his sentence?

8 A Yes.

9 Q Can you tell me about that?

10 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
11 COMMITTEE

12 BY MS. NAUGHTON:

13 Q First of all, can we ask what he was indicted for
14 and convicted?

15 A He was indicted for multiple counts of conspiring
16 to ~~for~~ engaging in efforts to assassinate [REDACTED]
17 [REDACTED] So I think he was charged with murder for hire
18 and related types of offenses. He ultimately plead to two
19 counts of murder for hire.

20 Q What was his maximum exposure?

21 A To what he plead to?

22 Q Yeah.

23 A Ten years.

24 Q And this was prosecuted again, I gather, out of the

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120

1 A That's correct.

2 He was charged with others who were also charged, I
3 believe, with various narcotics offenses. I don't believe
4 [REDACTED] was specifically charged with the narcotics
5 offenses.

6 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
7 COMMITTEE

8 BY MR. MCGOUGH:

9 Q In response to my earlier question, you indicated
10 that there were in fact discussions of giving [REDACTED]
11 [REDACTED] some consideration. Can you tell me how those were
12 initiated?

13 A Well, I can only speak for myself, and I say that
14 because there were significant efforts made by persons with
15 the Department of Defense as well as those assigned to the
16 State Department who tried to secure preferential treatment
17 for this defendant. Those approaches were, in my understand-
18 ing, were made directly to the U.S. Attorneys Office way
19 before we in Washington really became aware--at least to my
20 knowledge--of what was going on.

21 I think I first learned of this aspect of the
22 matter when Jim Michel of the State Department, who is
23 Elliott Abrams'--one of Elliott Abrams' deputies, and I had a
24 discussion. I may have my timing wrong. I may have first
25 discussed it with Mike Cosack at the Legal Advisor's Office

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1 But at any rate, it was a dialogue that began
 2 between myself, Mike Cosack, and Jim Michel. And it was a
 3 very strange situation that we found ourselves in, because
 4 [REDACTED] including
 5 individuals detailed from DOD to the State Department, were
 6 seeking to secure ^{special} ~~an~~ treatment for [REDACTED] not neces-
 7 sarily on behalf of their agency but as individuals. They
 8 were seeking to make known their views.

9 In addition, we began receiving communications from
 10 the [REDACTED] was writing to the
 11 president. I think he wrote to the court seeking some
 12 consideration for [REDACTED]

13 Mr. Michel, myself, and Mr. Cosack had some
 14 discussions and along with [REDACTED] concluded that this
 15 was crazy, that there was no basis for this, and that we were
 16 going to oppose this kind of treatment for an individual that
 17 essentially we have viewed and had publicly stated we viewed
 18 as an international terrorist. So we were quite emphatic
 19 about our position and were resisting these efforts, if you
 20 will, to somehow get the government to endorse favorable
 21 treatment to [REDACTED] UNCLASSIFIED

22 That was our posture. We had a meeting with State
 23 attended by [REDACTED] which afforded [REDACTED] an
 24 opportunity to convince us that there were good and valid and
 25 legitimate reasons why we should as a government go into

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122

1 court and seek some consideration for this man.

2 Q Let me interject there.

3 What were the reasons given for [REDACTED]

4 [REDACTED] preferential treatment?

5 A He was a friend of the U.S. He had helped the U.S.

6 Q Were they more specific than that?

7 A Very vague, very general. And we were never, to my
8 satisfaction, able to get any specifics.

9 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
10 COMMITTEE

11 BY MS. NAUGHTON:

12 Q Did you get a sense of whether this was all
13 retrospective or whether he was still working for us?

14 A Oh, no. I had assumed it was just for historical
15 relationships.

16 Q Did anybody from the agency attend?

17 A Again, this is where I come back to a cast of
18 thousands. There were many people there.

19 Q Well, at any rate, was the agency heard from in
20 this whole--

21 A I don't--I'm not aware that the agency waded in on
22 this. This was purely a DOD initiative, as far as I could
23 tell.

24 So we listened, and State was most emphatic on this
25 one--no reason why to give into this--

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123

1 MR. McGOUGH: You say State was very emphatic?

2 MR. RICHARD: It didn't want it to go over.

3 MR. McGOUGH: Did not want to give preferential
4 treatment?

5 MR. RICHARD: Did not endorse it. The State and
6 Justice were walking hand-in-hand on this issue.

7 And it was a very peculiar situation, because in a
8 way DOD was not institutionally supporting it. But these
9 individuals were coming up and always prefacing their
10 positions as speaking as an individual and going from there.

11 And, in fact, the court was sympathetic and was
12 receiving information from individuals such as--

13 BY MS. NAUGHTON:

14 Q So these people [REDACTED] were contacting the court
15 directly.

16 A Well, they were serving as character witnesses.
17 When there came a point in time after the plea, they were
18 writing in with pleas for leniency. I think I had a sense of
19 hearing they testified in his behalf.

20 So you have this series of pleas coming in from--I
21 wouldn't say DOD representatives, but individuals affiliated
22 with DOD, as well as the [REDACTED]

23 [REDACTED] And we were, as I
24 said, opposed to it. And the instructions to [REDACTED] were just
25 proceed in a normal fashion, dispose of the case as you would

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1 normally, evaluate it in normal terms.

2 And ultimately a plea was entered, a sentence
3 imposed--I think for five years concurrent, if I'm not
4 mistaken--and the man ordered to surrender.

5 Then there came a point in time--I would say
6 probably around the 1st, 2nd, or 3rd of October--when I got a
7 call from Steve Trott, I believe it was, asking me to attend
8 a meeting with Buck Revel [REDACTED] thing over in the
9 Executive Office Building. I forget whether it was immedi-
10 ately or first thing the next morning.

11 But I go over with Buck Revel, and we go into--I
12 have to assume it was Oliver North's office. And present is
13 Dewey Clarridge, Oliver North, Abrams--Elliott Abrams--and an
14 individual who was introduced to me as a retired general.
15 His name was given. I have forgotten it, but I believe
16 people have told me it was General Gorman.

17 And the purpose of the meeting, as announced by
18 Colonel North, was that [REDACTED]

19 [REDACTED]
20 [REDACTED]
21 [REDACTED] regarding this latest plea,
22 which seemed to be centered on the fact that [REDACTED] had
23 since surrendered to begin serving his sentence.

24 It was unclear--I got the impression that [REDACTED]
25 [REDACTED] thought he was going to go in from one entrance and out

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125

1 the other entrance--you know, and out the rear.

2 Q Did you get this impression from North? Did you
3 have it before you went to the meeting? Let's put it that
4 way.

5 A Well, I got the impression that that was what was
6 triggering [REDACTED] You're
7 really holding him--that was the sense I had. Like any--he
8 didn't anticipate it--like he really thought, you know--

9 Q What I'm asking is from whom did you get this
10 impression? Was it from reading [REDACTED] or was it
11 from North told you?

12 A It's a valid question. Let me reflect on it.

13 I think that was mentioned at this meeting. Like
14 what did he expect? And maybe I said it, but it was like [REDACTED]
15 [REDACTED] as I understood it from, I think, either Colonel North
16 or from the general [REDACTED]

17 [REDACTED] And maybe I ventured to say, "Well, it
18 sounds like he expected to walk right out."

19 MR. MCGOUGH: At any rate, was he sentenced and
20 then ordered to surrender at a later date?

21 MR. RICHARD: He had surrendered.

22 MR. MCGOUGH: But it wasn't a matter of being
23 sentenced and bail, bond--

24 MR. RICHARD: The court had recommended [REDACTED] The
25 government, as I understood, took no position at that point,

jlb126

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126

1 but the court had recommended to the Bureau of Prisons [REDACTED]

2 BY MS. NAUGHTON:

3 Q Was that at the defendant's request?

4 A Oh, yes. But the court endorsed it.

5 The designation by the Bureau of Prisons was that
6 the initial receipt was [REDACTED] which is, I think, one
7 step up in security from [REDACTED]

8 The purpose of the meeting, I guess, as articulated
9 by Colonel North, was to discuss [REDACTED]

10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 Then Colonel North, supported by the general, began
17 also indicating that [REDACTED] was a friend of the govern-
18 ment--the U.S. government--had helped immeasurably the
19 military. [REDACTED]

20 Had helped U.S. forces, was always available. Again, very
21 ambiguous, no specifics, but he was always ready to assist us

22 Q Did they say what position he held in [REDACTED]

23 [REDACTED] UNCLASSIFIED [REDACTED]
24 A I always assumed he was [REDACTED] I may be wrong,

25 but I always thought it was [REDACTED]

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127

1 Q Well, yeah, but did they ever refer to him in
2 particular--

3 A Particular function, responsibility? I don't
4 believe so.

5 The general just indicated to us that he was
6 helpful in accommodating our military. So this became the
7 theme, and it was a theme that North was articulating, and
8 the general was supporting it. Dewey Clarridge concurred.

9 And what was probably the most surprising was
10 Elliott Abrams now concurred that we should do what we can
11 for this man, which, I must confess, I saw as a change in the
12 State Department position. In all fairness to Mr. Abrams, he
13 indicated that he had to leave for another meeting. He got
14 up, but his parting remarks were, "We should do what we can
15 to accommodate this man." And then he left the meeting.

16 I was asked what can be done for this man, and I
17 basically said, "Look. His defense counsel can file motions
18 to reduce. He's always free to apply for some immediate
19 parole consideration." I'm not sure whether I articulated
20 any other options at that time.

21 Then the issue came up--"Well, can you transfer him

22 [REDACTED]

23 [REDACTED]

24 Q Who asked that?

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25 A I'm tempted to say North, because Colonel North was

j1b128

UNCLASSIFIED

128

1 doing most of the talking. General Gorman was just support-
2 ing. Buck Revel was very quiet, and I felt very much on the
3 defensive in this setting. This was--I just found myself in
4 this situation.

5 I told them--I said, "Look. This appears to me
6 to--anything we do for this man seems to undercut our position
7 that we have taken repeatedly that this man is an inter-
8 national terrorist. This is certainly not consistent with
9 the position we have articulated throughout the course of
10 this prosecution that this man is a serious international
11 terrorist and should be treated accordingly."

12 Buck Revel supported that proposition, and the
13 meeting ended up with--"See what you can do about transferring
14 him [REDACTED]"

15 I think I offered, as a possibility, because the
16 mission was to come up with a possible response [REDACTED]

17 [REDACTED] that conceivably what we could do
18 was offer to brief [REDACTED]

19 [REDACTED] Does he realize what he's
20 asking for? And maybe he doesn't appreciate fully the
21 implications of the conduct engaged in by this man.

22 [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

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UNCLASSIFIED

129

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED] I told them at the meeting that I would
5 take it back and discuss it with the Department of Justice,
6 and that's where we left it.

7 I think Colonel North remarked that he thought he
8 had enough [REDACTED]

9 [REDACTED] It lasted all of 25 minutes or so.

10 I went back to the department. It's strange--I
11 don't know--I don't recall briefing Weld on it. I have to
12 assume he was in place at the time. He came in about this
13 time.

14 But I talked to Steve Trott, and he said he didn't
15 have any trouble with sending [REDACTED]

16 Q Had Trott indicated to you that he had had a
17 similar meeting with Colonel North?

18 A Not at that time. Subsequently, more recently he
19 had informed me of the fact that there was an earlier
20 meeting. I was not aware of that at the time.

21 I'm not sure of the timing here. I did speak to
22 [REDACTED] and told him about the meeting and asked him his
23 views on sending him to [REDACTED] and he had no trouble with
24 that. It's the mood--the sentencing on the request to go to

25 [REDACTED], and he had no trouble with that.

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j1b130

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130

1 I talked to, I believe, John Martin. He had no
2 major problems, as I recall.

3 And I got back to Weld, and he told me to call Norm
4 Carlson, head of the Bureau of Prisons--

5 MR. MCGOUGH: He told you to call Norm Carlson?

6 MR. RICHARD: Yes.

7 And why I say that--if I may drop a footnote--I had
8 mentioned--when Steve Trott said that to me, I said, "The
9 last time I called Norm Carlson and arranged for a transfer
10 of a prisoner who had begun cooperating"--I transferred him
11 from a medium-security facility to a minimum-security
12 facility--"the guy absconded within a week." So I told
13 Steve, "I'm not sure whether my credibility is very high with
14 Norm Carlson."

15 So Steve Trott said, "Well, tell him if he has
16 problems with it to have Norm Carlson call me."

17 So that was the gist of the conversation.

18 But I called Norm Carlson, and as I recall, he had
19 no problem with it, and as far as I know, the man was
20 transferred.

21 We never, as far as I know, went down and [REDACTED]

22 [REDACTED] And that's about where we are, as far as I
23 know.

24 BY MS. NAUGHTON:

25 Q Did you ever get back to the NSC or State Depart-

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131

1 ment?

2 A No. I didn't.

3 Excuse me. There was one other aspect in this
4 narrative I didn't include.

5 I think right before the sentencing I received a
6 call from Judge Sofaer over at State. He had been contacted

7 by, I believe, the [REDACTED] of the
8 Department of Defense [REDACTED] I don't recall the
9 name [REDACTED]

10 [REDACTED] who wanted also to interject consideration for [REDACTED]

11 This, I believe, was prior to sentencing.

12 For some reason, the individual couldn't reach
13 anybody within the department of moment, and Judge Sofaer
14 asked me if I would talk to him. I did. And I basically
15 articulated what was our position with respect to providing
16 any consideration to [REDACTED] That was it.

17 Q You never heard from him again?

18 A No. He was just making a very strong pitch for
19 consideration. That was probably the most official DOD
20 presentation that I had received during this whole process.

21 MR. McGOUGH: Do you remember who it was that
22 Sofaer was speaking for?

23 MR. RICHARD: Sofaer--he called me just to ask that
24 I call this individual.

25 MR. McGOUGH: But I mean who the individual was

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132

1 that you were supposed to call?

2 MR. RICHARD: He was head of the [REDACTED]
3 for DOD.

4 BY MS. NAUGHTON:

5 Q Did he indicate either where he had gotten his
6 information or what his connection was with [REDACTED]?

7 A I never received from any source specifics other
8 than a friend of the government--a friend of the United
9 States or another government.

10 Q Just for the record, [REDACTED]--do you know what
11 security facility it is? Can you just describe it for the
12 record?

13 A Well, it's a minimum-security facility.

14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED] And

21 there are perimeter security arrangements.

22 MR. McGOUGH: Let me show--mark this as Exhibit 7.
23 [The document referred to was marked for identifi-
24 cation as Richard Deposition Exhibit No. 7.]

25 MR. McGOUGH: They appear to be a couple of

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133

1 transmittal slips. The top one--both of them appear to be
2 dated October 2. And is that your handwriting at the top of
3 the first one?

4 MR. RICHARD: That's correct.

5 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
6 COMMITTEE

7 BY MR. McGOUGH:

8 Q And for the record, would you read--it's dated
9 10/3/86, and would you read that for the record?

10 A "Steve Trott, according to Jim Michel, agreed to
11 briefing. Verified SST"--that's Steve Trott--"send the
12 items," which I assume refers to--that we were authorized to
13 send the teletype. Do you want me to read the--

14 Q No, no. It's not necessary to read the text. But
15 the teletype that it refers to from Abrams was to go to whom?

16 A If I'm not mistaken, it was a teletype responding

17 [REDACTED] There was a communication--
18 maybe--whether it was from [REDACTED] or Elliott Abrams,
19 I don't recall.

20 Q How did this fit in time-wise with your meeting
21 with North and Abrams in that event?

22 A The communication?

23 Q This transmittal slip--October 2--October 3.

24 A I assume that the meeting occurred, the cable was
25 prepared, sent it over to John Martin or he got it from--did

jlb134

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134

1 I send it over?

2 They weren't aware of this--at the time when they
3 were reviewing a cable of the developments--my proposal, for
4 example, that we [REDACTED] and the fact that SST--
5 Steve Trott--agreed that that could be something we could do
6 to [REDACTED] They weren't aware
7 that it had been accomplished to send them to Abrams.

8 Q So by this time there had already been a decision
9 made to intervene with Norm Carlson?

10 A Yes. I spoke to--this is on the 3rd--on the 3rd,
11 my notes suggest that I called Norm Carlson. Now, I'm not
12 sure when physically the man was moved from [REDACTED]
13 [REDACTED]

14 Q But the letter and teletype from Mr. Abrams
15 appeared to indicate that Justice had intervened on
16 [REDACTED]'s behalf and recommended that he be sent to [REDACTED]
17 [REDACTED] So that the draft that was sent over on October
18 2 would have stated that Justice had in fact intervened.

19 A I'm not sure whether it was put in terms of
20 intervention as opposed to--we have agreed to transfer the
21 man or the man is being transferred for convenience of the
22 [REDACTED] I'd have to--I'm not sure it was couched in
23 terms of intervention.

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24 MR. MCGOUGH: What time--do you have a restriction
25 in the evening?

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135

1 MR. RICHARD: No.

2 MR. MCGOUGH: I think I've got maybe another hour
3 or so.

4 MR. RICHARD: I just would like to finish today,
5 but I'm prepared to go as long as you want tonight.

6 MR. MCGOUGH: Do you need a break?

7 MS. NAUGHTON: I would like a break.

8 MR. MCGOUGH: Why don't we do it now?

9 [Recess]

10 MR. MCGOUGH: Okay. Let's get back on the record
11 and turn, if we could, to the Evans prosecution--the Souther
12 District of New York.

13 BY MR. MCGOUGH:

14 Q Prior to the revelations in November of '86 about
15 the Iranian initiative, were the defendants in the Evans case
16 alleging a government authorization or government policy
17 defense to their prosecution?

18 A I'm probably the wrong one to ask that question of.
19 My understanding was that they had consistently maintained--
20 at least with respect to the Iranian transactions--government
21 authorization. But I would suggest you verify that directly
22 with the Southern District of New York.

23 Q What, if any, authority, supervision, or review did
24 you exercise over the Evans prosecution?

25 A Well, I had worked with the Southern District of

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136

1 New York in terms of their apprehension. The individuals had
2 been lured, if you will, to Bermuda, and it was a question of
3 how to accomplish their arrival in the United States when we
4 have to go through an extradition proceeding which not only
5 would be cumbersome but could pose some problems in terms of
6 the existing treaty and what have you. Our efforts were
7 designed to see if we could arrange for ^{deportation} ~~importation~~ to the
8 United States.

9 Q Were you involved in the pre-indictment stage of
10 that case at all?

11 A I don't believe in a substantive way. I think I
12 was aware that it was coming down--that there was this
13 pending operation. But I certainly wasn't dealing in
14 substance with the Southern District of New York on how to
15 bring it down.

16 Q Prior to the disclosures about the Iranian Ini-
17 tiative, is it fair to say that the case did not--strike
18 that.

19 After the disclosures about the Iranian initiative,
20 did the case draw more of your attention as it related to
21 their defense of governmental authorization?

22 A Well, the case had that particular interest to me
23 because of what I'll call the Israeli connection. And I have
24 been working quite closely on a variety of cases impacting on
25 the government of Israel--or potentially impacting or

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137

1 involving the government of Israel. In that regard, this
 2 case was of interest because, if I recall correctly, several
 3 of the defendants purportedly had prior Israeli military
 4 affiliation.

5 MS. NAUGHTON: Could we step back again? Could you
 6 tell us what the indictment was and what the defendants were
 7 charging? I believe there 17 defendants.

8 MR. RICHARD: That's correct. Not all of them have
 9 been apprehended. There are a series of--

10 MR. MCGOUGH: Has the indictment been unsealed as
 11 to all of them, or do you know if they remain sealed?

12 MR. RICHARD: I believe that it is unsealed as to
 13 all of them.

14 It's been a while since I looked at the indictment,
 15 but what we're dealing with essentially are five conspiracies
 16 to illegally export substantial arms without requisite
 17 licenses.

18 The arms were going to a variety of--or intended to
 19 go to a variety of foreign countries, including Iran, but not
 20 limited to Iran. There were other countries, I believe, that
 21 also were intended ^{as} and ⁱⁿ users ^{so} for some of the conspiracy.

22 So that what you regard as the Evans conspiracy, I
 23 think, is only a portion of the total case.

24 MS. NAUGHTON: Did any arms actually get shipped?

25 MR. RICHARD: I do not believe that anything

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138

1 arrived.

2 Is that responsive to your question?

3 MS. NAUGHTON: That's fine. It's mostly for the
4 record, not my curiosity.

5 MR. MCGOUGH: We get so used to speaking about
6 these things as terms--I think you're right. We need a
7 little bit of background.

8 BY MR. MCGOUGH:

9 Q You were talking about the Israeli aspect.

10 A You asked about--my initial interest or focus of
11 the case was, in the context of that issue, because I have
12 been, as I indicated, heavily involved in a variety of cases
13 impacting on Israel

14 Q Can you put a time frame on that issue in the case?

15 A I believe in April of '86, if I'm not mistaken, was
16 the time when it was brought down, if you will--the arrests
17 were made and what have you. It was several months, as I
18 recall, trying to arrange for their entry into the United
19 States. But the case was--complaints were filed, I believe,
20 in about April of '86.

21 Q Now, after the disclosure of the Iranian arms
22 initiative, there were intensified efforts by defense counsel
23 to raise the government authorization of defense, if we can
24 call it that. And when did it first come to your attention
25 that these had been connected somehow--these defenses had

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139

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1 been connected with the Iranian arms sale?

2 A Well, I think from the start of the public revela-
 3 tions, which I guess were beginning in November of the
 4 governmental initiative, the defendants in the Evans case
 5 began citing this as further justification for what they were
 6 asserting all along--was essentially government authorization
 7 or belief that there was going to be government authorization.
 8 If I'm not mistaken, there was no suggestion that they had
 9 the government authorization, but they had reason to believe
 10 they would have^{it} at the time of the exportation.

11 There came a point in time, as I understood it,
 12 where the court--Judge Sand in New York--was making inquiry
 13 into whether there was a connection between the authorized
 14 initiative and that which was before the court in New York.

15 And there had been previous representations, if I'm
 16 not mistaken, made by the Southern District of New York to the
 17 court that inquiries to appropriate federal agencies had
 18 revealed that the activities embraced by the indictment were
 19 in fact not authorized.

20 Q Let me stop you there for a second.

21 Were you involved in those original inquiries to
 22 the various agencies?

23 A No.

24 Q Did you coordinate them?

25 A No. I believe that the Southern District either

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140

1 directly went to those agencies or worked through our
2 internal security section to secure the information from the
3 relevant agencies.

4 Q And there came a time in or about November of '86
5 when the judge wanted something more in the way of a repre-
6 sentation from DOJ.

7 A Well, here it was a representation ^{he} ~~that~~ wanted
8 information as to whether there was a connection between the
9 ~~evidenced~~ matter and the authorized government conduct, which
10 by that time was becoming publicly known and acknowledged.

11 As I recall, during this period I had been in touch
12 with Rudy Giuliani; the U.S. attorney, and his senior staff;
13 Denison Young; and, I think, ^{Senito} ~~Spanio~~ Romano as well as on
14 occasion talking directly to the assistant. They telefaxed,
15 I think, to me a proposed representation that they were
16 suggesting be made to the court.

17 MR. MCGOUGH: Let's mark this as an exhibit. This
18 is Deposition Exhibit 8. My copy is mis-paginated. Is yours?

19 MR. RICHARD: ^{yes} ~~Yeah~~. No, I'm all right.

20 [The document referred to was marked for identifi-
21 cation as Richard Deposition Exhibit No. 8.]

22 BY MR. MCGOUGH:

23 Q Referring to Deposition Exhibit 8, is that the
24 telefaxed proposal or an affidavit?

25 A Yes.

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jlb141

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141

1 Q With some handwritten interlineations on it.

2 A Yes.

3 Q And that would be your handwriting.

4 A No. Part of it is. Part of it I believe is Bill
5 Weld's.

6 Q Now, this would have been transmitted on November
7 14, 1986. Is that right?

8 A That's the date reflected on the exhibit.

9 Q What steps did you take when you got this?

10 A Well, as I recall, I had earlier alerted Bill Weld
11 to the fact that this issue was facing the department and
12 *mr* ~~that~~ I believe Bill Weld had informed me that the attorney
13 general was going to certify that there was no connection
14 between the two cases.

15 Q This was before November 14?

16 A I believe, if I'm not mistaken, that it was before
17 the receipt of the proposed Southern District language.

18 Q Which is dated November 14?

19 A Which is dated November 14. What I'm suggesting is
20 in point of time it may have occurred on the 14th but prior
21 to the receipt of the telefax.

22 I told Bill Weld that I thought that that was a
23 terrible error.

24 Q What was the terrible error?

25 A To have the attorney general certify that there was

UNCLASSIFIED

jlb142

UNCLASSIFIED

142

1 no connection, because, quite candidly, as I evaluated the
2 matter, I couldn't understand how anybody at that point in
3 time would be in a position to certify that there was no
4 connection. Setting aside the ambiguity of what a connection
5 means--and I'm not sure to this day I know when you say there
6 is no connection what you are asserting--it appeared to me
7 that unless one had the most intimate knowledge of both sides
8 of the equation--to wit, the Evans case and all of its
9 nuances--as well as the Iran initiative along with all of its
10 nuances, how could anyone draw a conclusion that there was no
11 connection?

12 And I expressed this concern, I think, very
13 strongly to Bill Weld, because I thought we were going down a
14 path where inevitably we would be--the defendants would
15 assert that we were disingenuous with our certification if
16 ~~this lightest~~ ^{the slightest} arguable connection showed up down the road.
17 And I was concerned about that.

18 I expressed it first to Bill Weld. I believe he
19 agreed with me. I think he raised it with Steve Trott. We
20 then--if I recall the sequence--we got the telefax, we went
21 over it, changed some aspects, and again sent it forward.
22 And I was again strongly urging that it not be made.

23 Q And when you say "sent it forward", you mean sent a
24 draft or a revision of this teletype--telex forward to the
25 attorney general.

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UNCLASSIFIED

143

1 A Well, I can only say that as far as I know, it went
2 up to Steve Trott. I have no knowledge of whether the
3 attorney general literally saw this proposed teletype--this
4 telex.

5 Q But at the time you sent this forward, Mr. Trott,
6 as you understood it, was aware of your reservations and
7 concerns?

8 A I don't believe I expressed them directly to him,
9 but I think Bill Weld had let him know my feelings.

10 MS. NAUGHTON: If I can interrupt you for a second.

11 I missed whose idea or insistence or whatever it
12 was to have the AG actually certify this as opposed to some
13 other official.

14 MR. RICHARD: Well, that was the point. I think
15 the Southern District had proposed it as their ~~best~~ desire.

16 MS. NAUGHTON: Had they proposed this to you?

17 MR. RICHARD: My recollection is that they had said
18 that's what they wanted--was the attorney general to certify.
19 And I believe that's the way I interpreted it--that they
20 wanted the attorney general himself to certify it.

21 And as it related to me, it was that there was a
22 willingness to make such a certification.

23 MR. McGOUGH: Was that related to you by Mr. Weld?

24 MR. RICHARD: Yes.

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EXAMINATION BY COUNSEL FOR THE HOUSE SELECT

UNCLASSIFIED

144

jlb144

COMMITTEE

BY MS. NAUGHTON:

Q So Weld got back to the attorney general, and he said he was willing to make such a certification?

ms A Yeah. *Yes*

If I'm not mistaken, on this particular day when the issue was resolved, there was a question. There were two matters arising from active litigation in the field--the Evans and a matter on the West Coast, where--I think it was either San Diego or L.A. had a case--it was L.A.--before Judge Wilson. And Judge Wilson was inquiring as to the government's intent in light of the public revelations of the Iran initiative.

The judge in that case had a convicted defendant who was moving to set aside a conviction or a sentence. He had been convicted for allegedly--not allegedly--but for exporting illegally to Iran certain proscribed materials.

And the judge, in response to that motion, was asking the prosecuting U.S. attorney for certain information regarding the government's intended way to proceed in light of these revelations. So we--and the USA out there had three questions that he was seeking the answer to from the department.

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So both the Evans and this other case went upstairs. That is to say, I believe it was handled at an executive

UNCLASSIFIED

145

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1 meeting which the top management of the department holds
 2 every morning. And I think it was taken up at that point in
 3 time. And I believe that this was done prior to the receipt
 4 of this actual proposal.

5 There was--if I'm not mistaken--there was nothing
 6 written on the table, if you will, at the time that the
 7 initial decisions were made. After the morning meeting,
 8 which takes place fairly early in the morning, if my memory
 9 serves me correctly, Bill Weld came back with responses for
 10 L.A. and a response--or at least a way of proceeding--in the
 11 Evans matter.

12 And it was in that context, if I'm not mistaken in
 13 my sequence of events, that it was conveyed to me that the
 14 attorney general was prepared to make the certification. And
 15 that's where the matter stood.

16 And later that day, which was the 14th--a Friday--I
 17 had occasion to be with Steve Trott, and I believe it was in
 18 connection with another case--the Pollard case--there were
 19 some developments on that--where Steve Trott called the
 20 attorney general and asked me to accompany him to see the
 21 attorney general on that matter.

22 We briefed the attorney general on that matter,
 23 and--maybe somewhat presumptuously of me--I said, "Mr.
 24 Attorney General, I want to raise the issue of the Evans case
 25 with you because I think ^{there's} ~~it's~~ a horrendous mistake that's

UNCLASSIFIED

jlb146

UNCLASSIFIED

146

1 about to be made." And I quickly articulated the reasons why
2 I did not think that the department should make this kind of
3 certification at this point in time.

4 Apparently--and this I guess you'd have to ask
5 him--but my impression of his reaction was that he had by this
6 time--he was not going to make that certification, because he
7 quickly said--led me to believe that he was going to take it
8 up the next day--Saturday--with the National Security
9 Council. Now, I'm not sure whether he said National Security
10 Council or Admiral Poindexter.

11 And that's where the matter stood.

12 Q Did he say--obviously--correct me if I'm wrong--
13 your pitch is someone's got to know the full details of that
14 and--of the Evans case and the U.S.-sponsored Iran initiative
15 in order to make such a certification.

16 A If I may interrupt, the argument I presented to him
17 was a simple argument, and that is that you just don't know
18 all the proprietaries that may have been used or contemplated
19 by either side of the equation. And until you at least know
20 that, you're walking into a no-man's land in terms of
21 connections between the two.

22 I hope you appreciate--at this point in time, I
23 don't think I appreciated that the attorney general had any
24 personal involvement in the Iran authorized initiative. So I
25 assumed he had no knowledge on both sides of the equation.

UNCLASSIFIED

jlb147

147

1 Q Well, that's my question. Did he impart to you
2 any--either any knowledge of it or did he tell you that
3 someone was looking into the Iranian--the U.S.--sponsored
4 Iranian initiative?

5 A No, he just--he just basically said without
6 commenting on substance that it was going to be taken up with
7 the--either with Admiral Poindexter or the NSC the next day.

8 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
9 COMMITTEE

10 BY MR. MCGOUGH:

11 Q How did you understand that would move in the
12 direction of solving the problem?

13 A Well, for one, I felt somewhat relieved because
14 the--it wouldn't be the Department of Justice making the
15 certification. It was the National Security Council, who I
16 assumed was intimately familiar with at least the Iran
17 initiative. They would be in a far better position than the
18 Department of Justice to come up with this broad certifi-
19 cation.

20 Q But only from the Iran initiative side of the
21 equation, which still had much less to do with the Evans case.

22 A I'm still troubled by that fact.

23 Q So Attorney General Meese was going to go the NSC
24 and Admiral Poindexter on the--case.

25 A I'm not sure whether he said he would go, but that

UNCLASSIFIED

jlb148

UNCLASSIFIED

148

1 matter would be taken up on--

2 Q What was the next word you were going to say?

3 A Monday, I believe, which would have been, I guess,
4 the 17th.

5 I think I probably either was out of town or late
6 because by that time there was agreement on a certification
7 to be offered to the Southern District of New York in
8 response to Judge Sand's request. I think I learned of that
9 after the fact.

10 I have seen some notations that indicate that the
11 certification finally was devised was in fact communicated to
12 the Southern District by Bill Weld directly.

13 MS. NAUGHTON: Did you have any part in drafting
14 that?

15 MR. RICHARD: I had commented on the draft that
16 came in from the Southern District without changing the
17 critical point. What came in from the Southern District was
18 not focused on the attorney general, though, but rather the
19 Department of Justice, which also was of more comfort because
20 originally I thought the attorney general personally was
21 going to certify.

22 BY MR. McGOUGH:

23 Q So you run it back on Monday to find that there was
24 some resolution?

25 A Yes.

UNCLASSIFIED

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UNCLASSIFIED

149

1 Q Did you attempt to determine--or did you determine
2 how that resolution had met your concerns the week before--in
3 other words, whether someone had in fact discovered once and
4 for all that there was no connection.

5 A Well, I was confident somebody satisfied themselves
6 that under some interpretation of the word connection that
7 there was none.

8 Q Did you know who had done that?

9 A I thought it was Admiral Poindexter, who was in
10 charge of making the final judgment to the Department of
11 Justice. Whether he tasked anybody at the NSC, I cannot say.

12 Q But the certification went out from Mr. Weld to the
13 Southern District.

14 A It was transmitted by Mr. Weld, but it was from the
15 Department of Justice and made reference to the consultation
16 with, I think, the NSC.

17 Q Were you confident that whoever was acting on
18 behalf of the Department Justice in that capacity had
19 sufficient understanding of the Evans case?

20 A Was I confident?

21 Q To make that representation.

22 A I was concerned, only because I was concerned that

MR 23 someone would read "connection" extremely broadly. And I
24 wasn't confident that, given the broadest interpretation of
25 what Judge Sand was seeking, whether there was anybody in

UNCLASSIFIED

jlb150

UNCLASSIFIED

150

1 Washington certainly familiar enough with the Evans case to
2 assert that there--with confidence--that there was no
3 connection.

4 Q Well, I guess what I'm driving at is when you saw
5 on Monday that Weld had made this representation for cer-
6 tification--

7 A If I may just interrupt you.

8 Q Sure.

9 A Weld didn't make the certification. Weld trans-
10 mitted it to the Southern District.

11 Q When you saw on Monday that it had been transmitted
12 to the department, were you still uncomfortable with the
13 transmittal or by that time--

14 A Well, I'm concerned because it appears to me that
15 it's an area of potential problems. This was a certification
16 that was generated in good faith, but I was concerned without
17 some clarification, simply because I just don't know what the
18 word connection means in this context.

19 You have overlapping equipment, for example. If I
20 recall correctly, some of the equipment in the Evans case
21 consisted of TOW missiles. Is that a connection? If they
22 used the same certification mechanism, is that a sufficient
23 connection?

24 MS. NAUGHTON: Were you aware of the Khashoggi
25 connection with the Evans case?

UNCLASSIFIED

UNCLASSIFIED

151

jlb151

1 MR. RICHARD: I was aware that--when you say
2 connection--I was aware that Mr. Evans had a prior relation-
3 ship with Adnan Khashoggi. We haven't determined whether
4 that relationship extends to the operations involved in the
5 Evans case. But there was history of a proprietarial relation-
6 ship.

7 All of those were concerns of mine.

8 BY MR. MCGOUGH:

9 Q Were you aware at that point that Mr. Khashoggi was
10 somehow involved in the Iranian initiative?

11 A I can't place it in time. I just--if nothing else,
12 in the abstract, I saw this as a troublesome area that either
13 should have been better articulated as to what the court was
14 seeking by way of assurances or at least some more systematic
15 inquiry should be accomplished before we made those represen-
16 tations.

17 Q As of Monday the 17th, did you express those
18 concerns--those continued concerns to Mr. Weld or anyone else?

19 A Well, I don't recall afterwards expressing the same
20 degree of concern. I was greatly relieved that the department
21 had at least gone out to the NSC, who I understood had the
22 information, at least on the authorized Iranian initiative
23 and had sought their representations--affirmative representa-
24 tions to the extent that they were in a position to make
25 them--that no, they were aware of no connection. This

UNCLASSIFIED

jlb152

UNCLASSIFIED

152

1 certainly alleviated a portion of my concerns.

2 I'm not sure that I continued to articulate ongoing
3 concerns on this point.

4 Q Did you feel that you had been cut out of the
5 situation?

6 A No, not at all.

7 Q On the 14th you screwed up your courage and raised
8 this with the attorney general sua sponte, and then on the
9 17th you came back and found out that essentially that while
10 the solution was a little bit better, it still didn't solve
11 the problem. Did you feel--did you follow up any more with
12 it?

13 A No. No, I didn't. I had, I think, expressed
14 concern over a period of time--I just can't put it in time--
15 in conversations with Denison Young about this problem.

16 Q After Monday the 17th, when you learned--

17 A Excuse me. If I may interject. My concern
18 continues to be there only because now you have independent
19 counsel generating information on the Iran initiative that is
20 not being shared with the Southern District of New York, to
21 my knowledge. So that now we're--at least as an abstract
22 proposition--in the difficult position of standing by our
23 representation but not privy to possibly new facts developed
24 by the independent counsel that ^{may} undercut their representa-
25 tion. This concern I have also articulated

UNCLASSIFIED

jlb153

UNCLASSIFIED

153

1 MS. NAUGHTON: Can I ask just about the representa-
2 tion?

3 MR. RICHARD: Sure.

4 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
5 COMMITTEE

6 BY MS. NAUGHTON:

7 Q First of all, this is not an affidavit that someone
8 signed.

9 A No, but I--

10 Q I just want to get at the facts.

11 A That's right.

12 Q So basically it's in the nature of a pleading to
13 the court.

14 A I don't know whether it was just a statement on the
15 record or by--in a particular pleading.

16 *WR* I mean, the department would not, ⁱⁿ ~~to~~ my judgment,
17 tolerate erroneous representations to the court.

18 Q Oh, no. That's not my point.

19 My point is this: were this to be challenged--and
20 what I'm asking is did this go through your mind as well--not
21 just that that representation might be erroneous but that
22 someday someone may actually have to testify at a hearing or
23 a trial if either connection was found. And did you--did it
24 concern you that this person might have to be the attorney
25 general or Admiral Poindexter or someone of that stature?

jlb154

154

UNCLASSIFIED

— 1 A Well, yes it did certainly concern me. This was
2 one of the reasons why I suggested that this--initially a
3 certification, as I understood, coming directly from the
4 attorney general was crazy because it exposed him as a
5 potential witness. This was one of the reasons for initially
6 objecting.

7 Q Did you articulate that concern to the attorney
8 general?

9 A No.

10 Q Did you articulate it to Mr. Weld?

11 A Yes. The question--you made a statement with
12 respect to the concern. I was concerned about raising it
13 with the attorney general. It was just in terms of the
14 propriety of it--I mean, we were not there discussing the
15 Evans case, and it was something that I had raised with my
16 immediate superiors.

17 It was in the context of deviating from the chain
18 of command that I saw myself, if you will, subject to some
19 criticism, because I had raised it with Bill Weld previously.
20 I knew he had taken it up directly with Steve Trott, and in
21 that regard, for me to jump over them and take it--you know,
22 mention my concerns directly to the attorney general was just
23 outside the normal chain of command.

24 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
25 COMMITTEE

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UNCLASSIFIED

155

1 BY MR. McGOUGH:

2 Q We're now coming up to the fact-finding weekend, as
3 its become known, starting--on the 20th, 21st--in that area.

4 Did you have any further contact specifically with
5 the Evans issue prior to the weekend of the weekend of the
6 21st, 22nd, and 23rd? I mean, did it come up again at any
7 meetings that you attended? Did you raise it again with
8 anyone that you can recall?

9 A No, not the certification issue.

10 I spoke regularly with the Southern District of New
11 York on the Evans case as well as other cases, and I would
12 not be surprised if the Evans case came up.

13 But in terms of going higher within the department,
14 I don't recall any further meetings that we had.

15 Q Were you aware that Mr. Weld raised the issue at
16 the staff meeting on the 21st?

17 A Which is?

18 Q Friday--the issue of the--whether the Criminal
19 Division should be involved. It came up, as I believe as Mr.
20 Weld's deposition, which has been released, indicated in the
21 context of the Criminal Division becoming involved in the
22 Iranian initiative side of the inquiry so that one person or
23 at least one division would have all the facts in both the
24 Evans situation and the Iranian initiative--exactly the point
you were raising before that someone had to understand both

UNCLASSIFIED

jlb156

UNCLASSIFIED

156

1 sides of the equation.

2 Were you aware that Mr. Weld raised that issue at
3 the staff meeting on Friday morning the 21st?

4 A No. Are you sure it's the 21st and not the 14th?

5 Q The information read that it's the 21st.

6 A No. In answer to your question, I'm not aware. If
7 this is subsequent to the resolution of the Evans certifica-
8 tion, then the answer to your question is no. I'm not sure--
9 I was not aware that this became a new issue a week later.

10 Q Were you aware that the attorney general spoke to
11 Mr. Weld on the 24th? That was a conversation where the
12 attorney general said it's not accidental--or allegedly said
13 it's not accidental that the Criminal Division has been kept
14 out of this. There's a reason for it. Mr. Weld made the
15 statement--made a statement about water spilling on the
16 attorney general.

17 A No, I was not aware of that conversation.

18 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
19 COMMITTEE

20 BY MS. NAUGHTON:

21 Q Have you read Mr. Weld deposition?

22 A Yes.

23 Q It's my recollection--please correct me if I'm
24 wrong; actually I think I have it--that he stated that you
25 were present in his office when he received the call from the

UNCLASSIFIED

jlb157

UNCLASSIFIED

157

1 attorney general.

2 A I may have--on the 20?

3 Q On the 24th. This would be Monday morning at
4 approximately 9:55--right before 10:00 o'clock.

5 A I may have been in his office when he received the
6 call. My recollection is the first time I passed with
MK 7 anything ^{was} or given any information regarding this issue is the
8 25th.

9 MR. MCGOUGH: Now, this is--when you talk about
10 this issue--we're not talking about purely--we're not purely
11 talking about the Iranian initiative. What we're talking
12 about is the Evans--the interplay between the Evans case and
13 the Iranian initiative.

14 MR. RICHARD: I must confess. I have read the Weld
15 interview on this point, and I wasn't sure what was being
16 referred to, whether it was the Evans case or the Iran
17 initiative.

18 BY MS. NAUGHTON:

19 Q If I can for the record--page 22 is where he begins
20 a discussion of this. And the question was:

21 "Q On the 24th, did the attorney general call you in
22 regard to this subject?

23 "A Yes.

24 "Q Do you recall when that was?

25 "A Well, it was during a meeting I was having with my

jlb158

UNCLASSIFIED

158

1 deputies. And those are often at 10:00 or at 10:30 a.m., so
2 I would say it was between 10:00 and 11:00 a.m."

3 And then he goes on to describe the call which Mr.
4 McGough just alluded to.

5 Do you recall either listening to Weld's portion of
6 that conversation or discussing the contents of that conver-
7 sation after he hung up?

8 A No, I don't. We have regular deputies' meetings.
9 Generally they do follow on the heels of his meetings with
10 the senior management.

11 I don't recall the Evans issue still being on the
12 front burner at that time.

13 We had--I am not sure of the arguments articulated
14 by Bill Weld to the attorney general with respect to the Evans
15 certification. I don't know whether he referred to questions
16 of proprietaries or both sides of the equation or what have
17 you. I'm just not sure how we phrased it to the attorney
18 general.

19 MR. MCGOUGH: Do you recall ever being present when
20 Mr. Weld said over the phone to the attorney general something
21 to the effect that "I don't think you should try to carry too
22 much water on this thing. Some of it may spill on you"?

23 MR. RICHARD: I don't recall the specific comment.
24 It is the type of comment that Bill Weld would make.

25 MR. MCGOUGH: But you don't recall being present

jlb159

UNCLASSIFIED

159

1 when it was made.

2 BY MS. NAUGHTON:

3 Q Do you recall him ever alluding to or expressing a
4 concern that the attorney general was acting like a gumshoe?

5 A Well, the next day--and when you're talking--

6 Q The 25th?

7 A --the 25th--that there are a lot of discussions and
8 comments that I'm privy to--but not on the 24th.

9 Q I noticed you brought some of your calendars here.
10 Could you please check the 24th? Would that indicate to you
11 whether or not you had a meeting with Weld and at what time?

12 A I don't have my calendars here. These are only
13 just little calendars.

14 Q I believe those were provided to the committee. I
15 just don't have them with me.

16 A I had--beginning on the--I think it was the 25th--I
17 began trying, to the best of my discipline and ability, to
18 keep a log of some sort. But that began on the 25th.

19 I have nothing beginning on the 24th other than
20 following public media disclosures regarding the Iran
21 initiative.

22 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
23 COMMITTEE

24 BY MR. McGOUGH:

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25 Q Let me--in that vein--let me take us back again a

jlb160

UNCLASSIFIED

160

1 little bit. And I want to talk about public disclosures of
2 the Iranian initiative.

3 Like most people in Washington, I suppose that you
4 were at least picking up on them now and again and were aware
5 that this was a breaking sort of story.

6 A Oh, yes. Very much so.

7 Q Did there come a time prior to November 25th when
8 you began to take a professional interest in the Iranian--
9 allegations about the Iranian initiative? Did there come a
10 time when you began to consider whether or not there were
11 possible criminal violations involved in the activities that
12 were being reported in the paper and if so, what if any role
13 the Department of Justice would be playing in those.

14 A Well, I was very much concerned about them--the
15 initiative, in particular the impact on potential--well, on
16 cases both concluded and pending.

17 Q But setting aside existing cases--in other words,
18 setting aside the impact of the initiative on existing
19 cases--did you begin to consider whether the activities that
20 were being alleged to have occurred in the initiative itself
21 may have transgressed criminal statutes?

22 MR. RICHARD: Can we go off?

23 [Recess]

24 MR. McGOUGH: Let's go back on the record.

25 BY MR. McGOUGH:

UNCLASSIFIED

UNCLASSIFIED

161

j1b161

1 Q Mr. Richard, is it fair to say that during the
2 period when you were reading about the Iranian initiative
3 leading up to November 25th that in your own mind you were
4 speculating about the procedures under which these sales
5 might have been made and the legal requirements that might
6 have applied to them?

7 A Yes. I was very interested in how these transfers
8 were accomplished.

9 Q But did you discuss those speculations--to the best
10 of your recollection--with anyone else in the department?

11 A No, I was just following media revelations as they
12 occurred.

13 Q And did you do any independent investigation to
14 determine whether, in fact, there were violations of those
15 procedures or requirements?

16 A No.

17 Q When was the first time that you initiated those
18 sorts of discussions or involved yourself in those sorts of
19 discussions or analyses?

20 A As I recall, November 25th, I think, was following
21 the attorney general's press conference and the revelations
22 of diversion of monies to the contras.

23 I was with Bill Weld in his office discussing the
24 revelations when we were asked to proceed--I think first to
25 Steve Trott's office but ultimately ended up in Chuck

UNCLASSIFIED

UNCLASSIFIED

162

jlb162

1 Cooper's office, where we were asked to review the situation
2 and give a preliminary assessment of possible criminal
3 statutes that might be implicated.

4 Chuck Cooper was there along with--I think it was a
5 staffer for Mr. Cooper--John McGuinness, I think his name
6 was. And we were given probably no more than a five-minute
7 factual run-down by Mr. Cooper, and he handed out what
8 purported to be a chronology--a classified chronology.

9 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
10 COMMITTEE

11 BY MS. NAUGHTON:

12 Q Do you recall how long it was?

13 A It was several pages.

14 Q Was it like a narrative chronology or just a date?

15 A I believe it was just dates. There was a slug--a
16 date, an event, a date, an event.

17 I recall that Mr. Cooper gave it to us to look at
18 but indicated that there was some question as to its accuracy.

19 We really didn't have much time, as I recall, to go
20 over the chronology, relying on the presentation of Chuck
21 Cooper and our appreciation of the facts as discussed both in
22 the media and in the attorney general's press conference.

23 We opined what criminal statutes might be involved
24 or that could be involved. And at that point the attorney
25 general convened a meeting which I did not attend; I was not

UNCLASSIFIED

UNCLASSIFIED

jlb163

163

1 invited to.

2 Q Excuse me. Could you give us a time estimate on
3 that first meeting in Cooper's office?

4 A It was late afternoon. I would venture to say
5 4:30, 5:00 o'clock at night.

6 The meeting with the attorney general occurred
7 probably around 6:00 o'clock. I remained outside the
8 attorney general's office. I had--was talking to a U.S.
9 attorney who--there were press reports indicating an arrest
10 with an Iranian connection, and I was trying to find out some
11 details about that which turned out to be not the case.

12 My recollection is that the meeting with the
13 attorney general lasted seemingly about a half hour or an
14 hour and then broke up.

15 MR. MCGOUGH: Given the facts as you understood
16 them at that point, what criminal violations did you speculate
17 might have been committed?

18 MR. RICHARD: Well, there was a whole ^{sheu} ~~slough~~ of
19 potential statutes, depending on how the transaction was in
20 fact structured or what was done to accomplish it. And there
21 was a lot of assumptions, if you will. How was the money
22 transported? What Customs violations were triggered as a
23 result of attempting to move currency without declarations?
24 Did that occur? Were bribes paid to foreign officials? I
25 mean, it just went on and on, all based on "what if".

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jlb164

164

1 And of course nobody at that time had the answers
2 to that. So you really just didn't know.

3 BY MS. NAUGHTON:

4 Q If you can recall, what did Mr. Cooper tell you
5 during the meeting in the late afternoon of November 25th
6 about the November '86 HAWK shipment--how it came about?

7 A I'm not sure. I took some scratch notes. I don't
8 know whether they reflect that kind of specificity.

9 Q But what you have in your notes is "November '85--18
10 HAWK missiles transferred but ultimately returned."

11 A That would have to have come from Mr. Cooper.

12 Q Do you know if--do you recall if he said anything
13 else about that other than that they were shipped and they
14 were returned?

15 A I assume I put it down there only because I thought
16 it might be of some significance to the analysis of what
17 potential criminal statutes might have been triggered.

18 It was a very superficial factual presentation, and
19 I think, if I'm not mistaken, it was interrupted by one or
20 two telephone calls from other high-ranking officials to Mr.
21 Cooper giving him more details--I think State Department
22 officials.

23 MR. McGOUGH: Was it your general conclusion that
24 the chances that criminal statutes were transgressed were
25 remote, likely, 50/50? Could you--what was your feeling

UNCLASSIFIED

jlb165

UNCLASSIFIED

165

1 coming out of the meeting? That it was a remote possibility
2 that there were crimes committed or that it was a likely
3 possibility or did you have a feeling at that point?

4 MR. RICHARD: My feeling was that it was something
5 that had to be investigated from a criminal point of view--
6 that there was no way you could easily draw a conclusion that
7 there was no criminality involved without a thorough analysis
8 of what transpired.

9 I was obviously familiar with the identifies of
10 certain of the participants, which made me very skeptical
11 about the integrity of the operation.

12 BY MS. NAUGHTON:

13 Q Who are you talking about?

14 A General Secord, I think, was identified as playing
15 a significant role. I think at that time also Mr. Hakim, Mr.
16 C. Glines.

17 Q Did you know Hakim from before?

18 A I knew of him, yes.

19 Q What did you know of him?

20 A That he was a shadowy character that played a
21 financial role in some of the transactions that occurred back
22 during the Wilson inquiry. I don't think we ever made
23 anything, but again he was just a very elusive figure.

24 It just made me--heightened my concerns, knowing
25 the individuals involved.

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UNCLASSIFIED

166

EXAMINATION BY COUNSEL FOR THE SENATE SELECT
COMMITTEE

BY MR. McGOUGH:

Q Did the meeting with Mr. Cooper conclude with any
sort of recommendation or resolution?

A Well, I think that--yes, to the extent that there
were arguable criminal implications of these transactions. I
think Bill Weld and I were categorical in our conclusion on
this point.

Whether a given statute may be implicated or not
was academic. But it was clear that there were potential
criminal statutes that were involved, especially with
diversion and a lot of questions about whose money was
involved and property rights and was there a theft of
government property, a misuse of government property--a whole
range of issues that came to mind, depending on what the
facts ultimately proved to be.

Q Was there any consideration or discussion at that
point of how the investigation might proceed as a practical
matter?

A The meeting with Mr. Cooper and Mr. McGuinness?

Q Yes.

A I don't believe so at all. It wasn't clear that
there was going to be an investigation.

Q Was there any discussion given to the--was the

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jlb167

UNCLASSIFIED

167

1 possibility of destruction of documents discussed?

2 A At that point?

3 Q At that point.

4 A I don't believe so.

5 Q Was there any discussion of the necessity of
6 securing documents or examining documents?

7 A Again, not at that stage. I don't believe so.

8 Q With the conclusion at the meeting with Mr. Cooper
9 on the 25th--did that conclude your role in the matter on the
10 25th? Did you do anything else that day with regard to that
11 investigation or diversion?

12 A I believe I remained at the department and talked
13 to Bill Weld after the conclusion of his meeting with the
14 attorney general. It's hard for me to identify precisely at
15 what time what was said.

16 When I learned about the role of Mr. Reynolds and
17 Mr. Cooper and the attorney general, I know from the first
18 time I learned about it I expressed concern about it. And I
19 expressed to it to Mr. Weld.

20 Q When did you first learn about that?

21 A I'm tempted to say the 25th--the time that I met
22 with Mr. Cooper.

23 Q By that role, you mean their role in the fact-
24 finding inquiry over the weekend?

25 *MR* A ^{Yes}
~~Yeah~~, that's correct.

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UNCLASSIFIED

168

1 Q And what concerned you about that?

2 myr A Well, I saw this as inevitably going to^a criminal
3 inquiry. I just didn't see how it would go in any other
4 direction, ultimately.

5 And there were a variety of issues that gave me
6 concern--one, the fact that these very high-level officials
7 would in fact be witnesses--conceivably fact witnesses--of
8 critical importance to any inquiry; the fact that from an
9 appearance point of view it suggested that in all probability
10 their conclusions would be questioned and their motives
11 examined, their objectivity examined.

12 I just felt that given the political situation--the
13 factual context in which we found it that the department
14 would be best served to get it into a more regularized
15 pattern and, in my experience with these highly charged
16 situations, to assign it to career, experienced prosecutors
17 to commence an appropriate inquiry.

18 And I appreciated many of the counter-arguments of
19 theirs. I felt, on balance, that it would be a mistake.

20 Q It was a mistake to?

21 A To play this role at this level--to have these
22 high-level officials play this role.

23 Q That being the role over the fact-finding weekend.

24 A That's correct.

25 MS. NAUGHTON: Who was making the counter-arguments?

jlb169

169

UNCLASSIFIED

1 MR. RICHARD: Myself, in my own mind.
 2 MR. McGOUGH: Like any good lawyer.
 3 MR. RICHARD: No, I can appreciate the fact that
 4 the attorney general wears at least two hats and that in the
 5 context of ^{his} needs that he has to accumulate the facts. But
 6 there, in retrospect, certainly ^{he} ~~it~~ might have been better
 7 served assigning someone to gather these facts and report
 8 back to him rather than participate at his own level and the
 9 levels of Mr. Reynolds and Mr. Cooper.

10 BY MR. McGOUGH:

11 Q You said that one of your concerns was the appear-
 12 ance of a lack of objectivity by Mr. Reynolds, Mr. Cooper,
 13 and the attorney general.

14 Did you have any reason to doubt their actual
 15 objectivity--that's Mr. Reynolds--any reason to doubt his
 16 objectivity?

17 A None whatsoever. No.

18 Q Any reason to doubt his competence to handle the
 19 investigation--to handle the fact-finding--the role that was
 20 cast for him in the fact-finding weekend?

21 A The role as articulated by the attorney general?
 22 No. I had no doubt--question his competence and ability to
 23 do that.

24 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
 25 COMMITTEE

UNCLASSIFIED

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UNCLASSIFIED

170

BY MS. NAUGHTON:

Q As long as we're on Reynolds, can I ask a question?

His official title is assistant attorney general to the Civil Rights Division--or at least was at that time.

A Except that--I just don't know that for sure, because I know he has assumed other duties as well.

Q Okay. That's what I want to ask you about.

In terms of the other duties, could you describe to us what you know of those? I'm speaking in terms of the November '86 reference rather than what he's currently working on.

A Well, I don't know the timing. But he has assumed the duties of counsellor to the attorney general--that's my understanding--the role Ken Cribbs previously played.

Now, when--I can't place it in a point of time in November.

Q The attorney general testified that Reynolds was coordinating or somehow working on national security projects--alluded to them and did not elucidate.

Do you know what those were?

A No, I don't know, but it's quite conceivable that he had such assignments that I wouldn't know. I wouldn't have a need to know.

Q Was he perceived to be the de facto number two man at Justice?

UNCLASSIFIED

UNCLASSIFIED

171

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1 A No, I certainly didn't perceive--I saw him as an
2 individual who appreciated the confidence of the attorney
3 general, who was very interested in a variety of areas and
4 was called upon by the attorney general and others for his
5 counsel and was well-regarded.

6 Again, back to the response--you know, of my
7 concerns. I think I had articulated a question--why can't
8 Mary Lawton's office play a role at some point?

9 MR. MCGOUGH: You mean at some point after the 25th
10 or some point leading up to the 25th?

11 MR. RICHARD: Why aren't they being utilized?

12 BY MS. NAUGHTON:

13 Q Could you explain for the record what her office is
14 and what her background is?

15 A Well, she is the head of the Office of Intelligence
16 Policy Review and handles all Department of Justice matters
17 relating to implementation of the Foreign Intelligence
18 Surveillance Act and is the principle component responsible
19 for formulating and commenting on national security issues
20 for the Department of Justice.

21 Q And that would include covert findings--covert
22 action findings?

23 A I'm not sure precisely what her role is in that
24 regard, but I do believe she has a role to play in that.

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25 Q And could you just give us an idea for the record

jlb172

UNCLASSIFIED

172

1 how long, as far as you know, that you she has been with the
2 Department of Justice?

3 A Well, she was formerly with our Office of Legal
4 Counsel. She is a well-regarded attorney, has been with the
5 government--must be at least 20 years. She had been with us,
6 I think, for about 15 years, went into the private sector for
7 about three or four, and returned to the department--or
8 returned to government, I think, in about 1980 and assumed
9 her present duties when Richard Willard became head of the
10 Civil Division in approximately 1984, I would venture to
11 say--maybe earlier.

12 Q When she was in the Office of Legal Counsel, do you
13 know, was she--did she involve herself or write any opinions
14 regarding national security matters or intelligence matters?

15 A I believe so. I think at that time there was no
16 Office of Intelligence Policy Review, and I think she was the
17 principle--certainly one of the principle--senior attorneys
18 working in the area for the Office of Legal Counsel at the
19 time.

20 She was also very active in FBI intelligence and
21 undercover operations, commenting on the parameters of those
22 activities.

23 MS. NAUGHTON: Thank you.

24 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
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jlb173

UNCLASSIFIED

173

1 BY MR. MCGOUGH:

2 Q Let me expand on those questions I asked about Mr.
3 Reynolds in regard to Mr. Cooper and Mr. Richardson.

4 Did you have any reason to question Mr. Cooper's
5 objectivity or his experience--competence to handle the task
6 that had been assigned to him over the fact-finding weekend.

7 A No, not to question his competence. I mean, it was
8 apparent--to me, anyway--that he would be criticized, that it
9 would be regarded as being irregular, as being inappropriate
10 for him to assume what would be perceived by many as an
11 operational role more suited for operational type personnel.

12 And I was concerned that the public would see this
13 as a substitute for a different type of investigation, which
14 would draw the department into controversy.

15 Q How about Mr. Richardson? Same questions.

16 A Mr. Richardson--again, he is an extremely competent
17 attorney. And again, there is no question of competence or
18 capability. It's a question of given their positions, being
19 misconstrued as to their operational responsibilities to
20 gather this kind of information.

21 Q Do you think that each of the attorneys we've been
22 discussing have the type of experience that you believe might
23 have been desirable to do the type of document analysis--
24 interviews and analysis that was required over the fact-
25 finding weekend?

UNCLASSIFIED

jlb174

UNCLASSIFIED

174

1 A Given their mission, I would say yes.

2 What concerned me was that their mission would be
3 mis-perceived.

4 Q How did you see that mission? I mean, you say
5 "given their mission". What do you mean by their mission?

6 A To basically find out what was--had transpired. To
7 determine what has to be done. The trouble is to conduct
8 interviews in this setting and in this context.

9 The concern I've always had is that it would be
10 viewed as the launching of a criminal inquiry by people who
11 normally do not engage in such activities, and thus it would
12 be perceived as being irregular. The fact that the attorney
13 general--tasked by the president or on his own initiative--
14 seeks to acquire relevant data to find out what has occurred
15 in order to make executive decisions is not inappropriate, in
16 my judgment.

17 But I think this distinction over time would be
18 lost on the public in general.

19 Q Based on what you know about the fact-finding
20 inquiry and the results that evolved over that weekend, was
21 there a point prior to November 25th that you feel the
22 Criminal Division should have been brought in?

23 A Well, it's hard to say. For the purpose as
24 articulated by the attorney general and others that was to be
25 served at that time based on their appreciation of the facts,

jlb175

UNCLASSIFIED

175

1 there was no problem. I have no quarrel with what was done.

2 I don't take exception to the notion that we have a
3 confused set of facts. You try to find out what in fact
4 occurred. The difficulty was the information that they
5 generated suggested that what they were involved in may have
6 criminal implications. But it was the very product of their
7 efforts that revealed that.

8 Now we have the question of the ramifications of
9 their activities on a potential criminal inquiry, and all
10 that ^{flows} ~~blows~~ from that plus--you know, what concerned me was
11 drawing the department's credibility into question publicly.

12 Q On November 26th, do you recall speaking with Mr.
13 Weld from Milwaukee?

14 A ^{yes} ~~Yeah~~. I had gone out of town for the Thanksgiving
15 holiday, but I had urged before leaving that again the matter
16 be sent to the Criminal Division and assigned to career
17 people. And I periodically called in to Mr. Weld.

18 Q Did you feel that your recommendation was being
19 followed?

20 A At that point it was being considered. There was
21 no resolution, as far as I understood--you know, at that time
22 what was to be done. How any inquiry would be structured and
23 how the department intended to proceed as far as I under-
24 stood, was still being considered.

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25 Q Did you ultimately at some point learn that a team

jlb176

UNCLASSIFIED

176

1 of Justice Department attorneys that included Mr. Cooper was
2 going to conduct the follow-up investigation after the 25th?

3 A Well, on the day after Thanksgiving, which was the
4 27th, I think.

5 Q The 28th.

6 A You're right--the 28th.

7 I think I was informed by Mr. Weld that a decision
8 had been made to send it to the Criminal Division. I think
9 when he told me that on the phone, I suggested that we
10 immediately issue grand jury subpoenas to all the appropriate
11 people at the White House to preserve the record and ensure
12 that everyone was on notice that there was an ongoing
13 criminal investigation and that there would clearly potential
14 obstruction issues if there were destruction or tampering
15 with pertinent records.

16 Q What suggested to you at that point that that sort
17 of precaution was necessary?

18 A Professional experience? I don't know.

19 Q There was no fact that came to your attention
20 between when you were brought into the case on the 25th and
21 your recommendation on the 28th that might have led you to
22 believe that possible--that these steps ought to be taken to
23 prevent destruction of records.

24 A I don't recall any specific fact. It just seemed
25 to me that any destruction or alteration of documents was a

UNCLASSIFIED

jlb177

177

1 natural concern that we should have. I can't tell you what
2 suggested it to me.

3 Q Do you know what steps were taken--or what was Mr.
4 Weld's response, do you recall?

5 A Well, he told me that the attorney general decided
6 that grand jury should--subpoenas should not be issued, that
7 we can accomplish the same objective I was seeking to
8 accomplish through the sending of letters to relevant
9 agencies.

10 Q Did you consider that an acceptable alternative?

11 A Acceptable? Well, part of my concern was antici-
12 pating a potential defense of individuals that they weren't
13 aware that there was an ongoing criminal inquiry. And
14 sending to an agency--protect your records--accomplishes a
15 portion of what has to be accomplished to protect and
16 preserve the records.

17 The conveying of knowledge, though, is easily
18 conveyed when someone is specifically hit with a grand jury
19 subpoena for records.

20 Q It was acceptable but didn't totally do everything
21 you wanted--would have liked it to do.

22 A Well, I mean--yes. Just my own approach would have
23 been to issue the subpoenas.

24 Q Let me return to what I think--a question that I
25 left dangling a little while ago, and that was did you learn

UNCLASSIFIED

jlb178

UNCLASSIFIED

178

1 that a team of Justice Department attorneys that included Mr.
2 Cooper was going to be supervising the investigation on
3 behalf of the department?

4 A When you supervising the investigation--the I don't
5 recall that it was that he was to supervise but rather be
6 part of the criminal investigative team.

7 Q Well, I'll accept that.

8 A No, I mean it wasn't that all of a sudden we were
9 reporting to Cooper--that was not my understanding--but that
10 there was the desire that he participate as part of--a member
11 of the team.

12 Q Did you have any problems with that?

13 A Yes, but they were subsumed by events, because it
14 was clear that--quickly that the way we should be going is
15 through the appointment of an independent counsel. So the
16 notion of constructing a viable in-house investigative team
17 quickly went by the boards in my mind anyway.

18 Q What were your concerns about Mr. Cooper partici-
19 pating with the team?

20 A Well, it became clear that the FBI felt very
21 uncomfortable with his role. I mean, I think they were very
22 uncomfortable with our role.

23 There was seemingly suspicion across the board.
24 Anyone other than--at best--career people--you know, who-
25 could-they-trust type of atmosphere. And it was very

jlb179

UNCLASSIFIED

179

1 difficult to learn what the bureau was finding, doing.

2 And it was clear right from the first, in my mind,
3 that the bureau was very reluctant to work in a constructive
4 fashion with the team that was being proposed. I don't think
5 they had any problem with the Criminal Division personnel,
6 but the whole role of Mr. Cooper and what it implied to them
7 gave them, I suspect, a lot of pause. Now, how high up that
8 pause went, I don't know.

9 MR. MCGOUGH: That was as far as I was going to go
10 with the background sort of thing.

11 Pam, why don't you finish it up?

12 MS. NAUGHTON: Yeah, I had just really a few
13 questions on this.

14 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
15 COMMITTEE

16 BY MS. NAUGHTON:

17 Q I gather--on the weekend between the 21st and the
18 24th, were you in Washington that weekend?

19 A The 24th of November?

20 Q November of '86--yes.

21 A I believe so.

22 Q Had the attorney general asked you to take part in
23 the fact-finding inquiry that weekend, would you have done so?

24 A Oh, sure.

25 Q And had he asked you to instruct the people who

UNCLASSIFIED

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UNCLASSIFIED

180

1 work under you to do so, would you have so instructed them to
2 do so?

3 A Certainly.

4 Q If I can go back one minute to what we were talking
5 about in the Evans case.

6 Prior to November of '86 when the whole issue of
7 this certification to the court came up, did the attorney
8 general certify at any other court or was there other
9 discussion on any--on the Evans case or any other case that
10 the attorney general should make such a certification?

11 A No, I don't believe so.

12 There was the West Coast case, where we had to make
13 some departmental representations to the court, but nothing of
14 that nature. I don't recall right off hand what those were,
15 but they didn't pose, at least to my knowledge, any--

16 Q To your knowledge, he was not personally involved.

17 A He was aware of it, or so I was led to believe by
18 Bill Weld, who took this up in his early-morning staff
19 meeting.

20 Q My question is specifically in a much earlier time
21 frame--let's say the summer of '86. Was there such an issue
22 raised?

23 A I don't recall any--in the summer of '86? I am not
24 aware of any.

Let me--if I can go back just to clarify something

UNCLASSIFIED

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jlb181

181

1 that I said earlier that may be confusing. It was in
2 connection with the Evans case.

3 At some point Mr. Weld may have been urging that
4 the inquiry required--not required, but that should be
5 conducted for the Evans certification--be done by the
6 Criminal Division. That I don't know. If that's what he was
7 urging on the attorney general, which may be possible, that
8 may* explain some of the ambiguity that has arisen with
9 respect to my knowledge of what he is telling the attorney
10 general. That would make some--that is a possibility.

11 But I don't recall that being articulated--that we
12 should take over the investigation of both sides of the
13 equation. It certainly wasn't something I was advocating. I
14 don't know if that clarifies it or further confuses it.

15 Q Just for the record, the staff--senior management
16 group meeting that occurs at 8:30 every morning with the
17 attorney general--you are not part of that, is that correct?

18 A No.

19 Q So you were not present when Mr. Weld made those
20 comments.

21 A That's correct.

22 Q I want to skip ahead for a minute to December 1st
23 of '86, and this is right before the decision to seek an
24 independent counsellor.

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I took a note of our last interview with you, and

UNCLASSIFIED

jlb182

182

1 now I can't remember what it means. It's referring to
 2 something that Jameson said, who is of course with the
 3 counsel for CIA, regarding that the 1985 shipments didn't
 4 occur. And this conversation apparently took place in Deputy
 5 Attorney General Burns' conference room.

6 A There was one meeting on the--if I could just refer
 7 to my notes for a moment--on December 1st. After a lot of
 8 discussion, we are urging--we meaning Jack Keeney, myself--we
 9 urging Bill Weld to recommend the appointment of special
 10 counsel.

11 Now, I think we were favoring at this point a model
 12 that had been previously used by the department pre-
 13 independent counsel. What we were referring to as a ^{current} ~~current~~
 14 model is the appointment under existing authority of an
 15 independent counsel appointed outside of the independent
 16 counsel's statute. Because there was serious question in our
 17 mind at this stage, certainly, whether the Independent
 18 Counsel Act was being triggered by the facts then known.

19 MR. MCGOUGH: Because of the covered person?

20 MR. RICHARD: The--person aspect, the confused
 21 facts--I mean, a variety of questions arose as to the
 22 applicability of the Independent Counsel statute to the
 23 situation.

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24 And I don't propose to be an expert on the nuances
 25 of that act or the prior department positions being taken

jlb183

UNCLASSIFIED

183

1 with respect to the act, but I certainly felt that it was
2 appropriate to go for an independent counsel model and that
3 if there was any question as to the availability statutorily
4 of the Independent Counsel Act, that we still had authority,
5 independent of that act, to appoint a special counsel. And
6 we were urging that on Bill Weld.

7 There was a meeting on the first with the attorney
8 general--Burns, Bill Weld, with Cooper, Cribbs, Richardson, I
9 think Bill Hendricks of the Criminal Division, Allen Carver--
10 at which we expressed our views to that effect to the
11 attorney general. From that meeting--and the attorney general
12 listened and asked some questions and took it under advise-
13 ment.

14 From that meeting, we then proceeded down to the
15 deputy's office, where we met with some FBI agents, who were
16 there to brief us on the status of the inquiry on the first.
17 It was clear certainly there that the FBI had great reluctance
18 to reveal--

19 MS. NAUGHTON: Had what?

20 MR. RICHARD: --had great reluctance to reveal all
21 of the information that they were gathering. At least that
22 was the tenor of the meeting, if you will.

23 Now, in answer to your question: if it's all from
24 my notes of that meeting, I can only say that that's something
25 that they probably didn't mention.

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jlb184

UNCLASSIFIED

184

1 I don't have the notes before me, but I don't
2 believe Mr. Jameson was at that meeting.

3 BY MS. NAUGHTON:

4 Q If it came from the FBI, then, during an interview
5 with Jameson--

6 A I don't believe that Jameson--

7 Q Now, for the record again, your notes indicate that
8 on that date when the issue of Mr. Reynolds' meeting with Tom
9 Green came up, you and others were very much opposed to that.

10 A Yes.

11 Q Could you tell us why?

12 A Well, at this point in time, as I recall, the
13 matter was now with the Criminal Division, and we really saw
14 no justification for someone of that rank and position to be
15 present at what could be an extremely critical meeting with
16 an attorney for a major figure involved in the matter.

17 Q Were you actually present when Mr. Reynolds gave
18 his reasoning for a meeting with--

19 A I believe that occurred in a telephone conversation.

20 Q Were you present for the other half of that
21 conversation?

22 A Yes. I know we discussed it with Bill Weld and
23 *him* strongly urged ^{him} to oppose Reynolds meeting at all. And we may
24 have opposed even the meeting. I don't recall that. But we
25 certainly, I think, were unanimous in our opposition to Mr.

UNCLASSIFIED

UNCLASSIFIED

185

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1 Reynolds being present.

2 Q Were you present when--did Mr. Weld call Reynolds?

3 A I believe so.

4 Q And were you present?

5 A I think so, yes.

6 Q And after Mr. Weld was through with the conversa-
7 tion, did he explain to you what Mr. Reynolds' reason was?

8 A My understanding is that our arguments that he was
9 going to be putting himself into a position of being a
10 potential witness--that's already done, so that is not a
11 particularly persuasive argument.

12 I think the agreement reached was that our attorney
13 would be present, which was a significant factor for us that
14 meetings with defense counsel would not be held absent the
15 presence of a Criminal Division attorney.

16 Q I know what I had a question about.

17 The subsequent application to freeze the accounts
18 made through Switzerland--were you--did you take part in that?

19 A Yes.

20 Q Where did you get the account numbers that were
21 used?

22 A Which applications are you referring to? I mean,
23 to initially freeze the accounts?

24 Q These would have been filed. They're part of the
25 attorney general's exhibits--something like exhibit 60 or so.

UNCLASSIFIED

jlb186

186

UNCLASSIFIED

1 A In answer to your question--

2 Q This would have been in mid-December or so.

3 A Well, we started our efforts to freeze the account
4 fairly quickly. I think it was early December.

5 Judge Sofaer and I had a conversation, in which I
6 think he suggested or questioned what are we doing. It was
7 *MR* agreed we've got to move to ensure that there ^{are} ~~is~~ no transfers
8 of monies. And we agreed upon an approach to accomplish that
9 as quickly as possible.

10 Now, at that time--at the initial stage where we
11 approached the Swiss--I believe we were given an account
12 number by Mr. Cooper. They had acquired an account number
13 during their efforts, I'm tempted to say, that was given to
14 the FBI either through Mr. Cooper or through the State
15 Department.

16 Q Well, no--this kind of point--did you personally
17 get it from the FBI? Let me start from scratch.

18 Did you author the document--the actual document--
19 the application?

20 A Well, I worked on it with people from our Office of
21 International Affairs. We stayed, I think, well into the
22 night, if I recall correctly, on some of the applications.
23 The FBI, myself, and the head of--one of our team leaders
24 *MR* ~~that~~ ^{who} was most familiar with the Swiss procedures--^{evidently} ~~entry~~
25 requirements.

UNCLASSIFIED

jlb187

187

UNCLASSIFIED

1 Now, where did we get the number? Depending on
2 which request you're addressing your question to, I would say
3 the FBI except for the first request. And the first request--
4 I think the State Department provided it.

5 I apologize--only because it was of no great moment
6 to me other than that we had the account.

7 Q Forgive my ignorance, but what's the reason for the
8 second request?

9 A Well, there were initial steps, if you will, that
10 were taken that were designed to accomplish the immediate
11 objective, which was to freeze the assets. That was the
12 immediate objective--to make sure that nobody was taking
13 money out of relevant accounts.

14 Judge Sofaer and I had discussed the best way to
15 approach this. And we had agreed that we would do it on a
16 multiple-track approach, going to the Swiss government on a
17 diplomatic route, to the ambassador in Washington, and then
18 following it up with a request in anticipation of a formal
19 treaty request.

20 We went this way thinking it was the quickest way
21 to accomplish our objective, and in my judgment it proved to
22 be that way, because we got it immediately frozen but not
23 under the treaty.

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24 Now, this is an area that is difficult for me to go
25 into because under the treaty, the responses coming back from

jlb188

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188

1 the Swiss to us I'm not allowed to divulge to--

2 Q Let me ask some specific questions, and you tell me
3 if you can answer them then.

4 The request I particularly want to concentrate on
5 right now describes the--I guess the basis for freezing the
6 accounts as the possibility that it might be U.S. money.

7 A That's correct.

8 Q So is that your first request that you just
9 described--in other words, the basis for freezing the
10 accounts?

11 A The first request was based on a possible 1343
12 violation of Title XVIII, which was--if I'm not mistaken.

13 The next request included 1341 and 641.

14 Q So the first one doesn't necessarily contemplate
15 U.S. monies, because it could be a fraud on anybody.

16 A That's correct.

17 Q But the second one did contemplate U.S. monies,
18 because it was 641.

19 A The initial formulation of what to ask for, as I
20 recall, was my judgment based on what the FBI was telling me
21 they knew of from a factual point of view. We had to
22 predicate the request on known facts.

23 Q Did you--other than the very first account number
24 that was presented in the first request, did you either add
25 account numbers or change account numbers in the subsequent

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189

1 requests?

2 A We added account numbers, but the FBI was at this
 3 point coming up with the data--they were giving us ~~as to~~ what
 4 they found as far as the accounts. We wanted to take the
 5 action against any and all accounts, so as soon as we learned
 6 of accounts, we would just constantly be sending in our
 7 requests.

8 I was getting the data from the FBI. That was my
 9 source of information.

10 Q Did you ever get any information from either the
 11 Swiss or any other source that any of the account numbers
 12 were incorrect?

13 Is that revealing too much?

14 A It is, under the treaty. I'm really--

15 Q That's fine.

16 MR. MCGOUGH: While she's looking, let me just ask
 17 you what I hope is going to be one quick question.

18 EXAMINATION BY COUNSEL FOR THE SENATE SELECT
 19 COMMITTEE

20 BY MR. MCGOUGH:

21 Q Did you have any contact with a prosecution or an
 22 investigation out of the Eastern District of Pennsylvania
 23 into the machinations of an alleged Saudi prince by the
 24 name--used a lot of different aliases, but the most common
 25 one was Al-Masoudi--Al-Masoudi

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jlb190

190

1 A I don't recall, but periodically we would get
2 inquiries from the State Department about prosecutions of
3 various reported princes. And they're asking for status. I
4 don't recall this one.

5 Q Do you recall having any contact with Oliver North
6 or anyone at the NSC about such a person?

7 A No.

8 Q How about any--does the name Richard Miller or
9 International Business Communications mean anything to you in
10 that context?

11 A International Business Communications?

12 Q IBC.

13 A No.

14 MR. GENZMAN: Also the name Zadeh--Z-A-D-E-H, which
15 I believe was the name he was prosecuted under.

16 MR. MCGOUGH: He was prosecuted under Zadeh in the
17 United States Eastern District.

18 MR. RICHARD: And the charge?

19 MR. MCGOUGH: Attempt to defraud the William Penn
20 Bank.

21 MR. RICHARD: William Penn Bank.

22 *Conceivably*
Considerably, only because it is not unusual for me
23 to get these calls about would-be princes and connections
24 with various royal families and what have you. But it just
25 doesn't ring a bell.

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j1b191

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191

1 What I normally do is just inquire on the status
2 and pass that on to the State Department.

3 MS. NAUGHTON: I do have one other question, I
4 think.

5 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
6 COMMITTEE

7 BY MS. NAUGHTON:

8 Q I'm referring you to your notes of December 1, '86.
9 And towards the bottom here it says--when it's talking about
10 Secretary Weinberger--

11 A At the bottom?

12 Q Where it says--it refers that Secretary Weinberger
13 said that the '85 shipments didn't occur. Do you know who
14 was talking or what they're talking about in that note?

15 A This is part--as I interpret my own notes--this is
16 part of the December 1, '86 FBI briefing which occurred in
17 the deputy's conference room. And this is the FBI conveying
18 this information. I see earlier, incidentally, that they
19 make reference to George Jameson, so that confirms the
20 suspicions that it was--

21 Q Do you recall the FBI telling you that Secretary
22 Weinberger had said that 1985 shipments did not occur?

23 A I can only refer to the notes--the fact that they
24 here suggest that the representation was made, but the FBI--
25 that this is what is emerging. Now, where they got it from,

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192

— 1 I don't know.

2 MS. NAUGHTON: I have no more questions. Thank you.

3 MR. MCGOUGH: I have nothing further to make. Bob?

4 MR. GENZMAN: All the points that I had have been
5 covered.

6 I thank you for your time, sir.

7 [Whereupon, at 6:12 p.m., the taking of the
8 deposition concluded.]

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192-A

CERTIFICATE OF NOTARY PUBLIC

I, William D. McAllister, the officer before whom the foregoing deposition was taken do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.



William D. McAllister
Notary Public in and for the
District of Columbia

My commission expires October 15, 1989.

UNCLASSIFIED

Memorandum

13 APR 84

**UNCLASSIFIED**

J 4782

Subject Boland Amendment	Date April 13, 1984
------------------------------------	-------------------------------

To
 Mark Richard
 Deputy Assistant Attorney
 General
 Criminal Division

From
 Stephen S. Trott
 Assistant Attorney General
 Criminal Division

✓ Victoria Toensing
 Deputy Assistant Attorney
 General
 Criminal Division

Please contact Mary Lawton ASAP and prepare a memo on the Boland Amendment. What it is, why it was passed, what it was intended to accomplish, and when and why it expired (Sept. 83 ?) etc.

What is the effect of its expiration on our problem?

Richard Willard and Ralph Tarr insist that § 1341 means that if zero funds were authorized for "mining activity" etc., the expenditure of \$1 violates the Antideficiency Act. It is a technical argument at best, with respect to a statute that has never been enforced--or even thought of in this light. Any thoughts?

Stay in touch with Lowell on this during my absence.

Thanks.

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Richard Deposition
 Ex #1 *Jan*

8-19-87

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24 MAR 66

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Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

3/26/66 spoke to killmer -
 AUSA not back yet from N.O.

file - Contingency folder.

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3/1

2280

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Richard
 Ex #2

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ROUTING AND TRANSMITTAL SLIP			Date
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1.	MARK RICHARD		
2.			
3.			
4.			
5.			
	Action	File	Note and Return
	Approval	For Clearance	Per Conversation
	As Requested	For Correction	Property Note
	Circulate	For Your Information	See Me
	Comment	Investigate	Signature
	<input checked="" type="checkbox"/> Coordination	Justify	

REMARKS

PLEASE GET ON TOP OF
THIS. DLT. IS GIVING A
HEADS UP TO THE N.S.C.
HE WOULD LIKE US TO
WATCH FOR IT.

COL KELLNER, ABOUT
WHAT IS UP, AND ROUTE
THROUGH. DECISIONS STANDING BY.

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FROM: (Name, org. symbol, Agency/Post)

STEPHEN S. TROTT
ASSISTANT ATTORNEY GENERAL
CRIMINAL DIVISION

Room No.—Bldg.

Phone No.

2041-102

GPO : 1965 O

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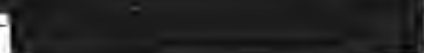
SP-100 (Rev. 7-76)
101-11-200

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The Deputy Attorney General


March 20, 1966

Oliver B. Revell
Executive Assistant Director
Investigations


NEUTRALITY MATTERS - 

INFORMATION MEMORANDUM

The entire contents of this memorandum are classified
"Secret."

~~SECRET~~

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3/24/66

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Rest of
Document

(4pp)

Deleted in its
Entirety

EXCLUDED

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NO DATE
1 5641

Barcia - testimony on Monday Tuesday
claiming that he prosecuted because he couldn't go along
Tony Aragon visits Carr + Thompson
worked for last P. Defender in Miami visits Carr + Thompson
Tony Aragon says he also works for 60 minutes
Public Defender believes its all a CIA plot - CBS has
the story

CO - pickt - Vasquez - son of gun murder
Summary

~~Davis + Ferrell~~
Also case on gun charges - possibly neutrality
act violation.

Hill - C14

Richard Depp

EX #3

8-19-87 Jan

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(5618)

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J 5642

Letter to Ct, production.

Garcia

Allen Sam - [redacted] - but used him to make

12/85 - convictions on gun charge

F.D. Jumper tells AVSA that in 2/85 Miami

Perez, Carr, Thomas, Hall, Jones, Carter, Castro meeting in Miami

discussed 1) Arms up 3 Embassy

Tuesday 2) Killing Tambo

3) Gun running

We construct act
people in Miamiwe have info
of plane which
suggested
convictionIn 3/85 - Thompson, Carr - weapons to Costa Rica
above question Carr & Thompson & others arrested in
Costa Rica

1/16/86 Garcia polygraphed - 1st - deception on 10/85

1/86 FBI ask that Carr & Thomas be interviewed

La Carr & Thomas deny participation. Admit some

guns. Based of photo in jail

implicated in 2nd murder (promised
under weapon)

Garcia & Carter

1/16/86 FBI interview Carter - ... saying about but

refuse FBI to Terrell

FBI - interview Terrell - Terrell confirms Garcia's
story. Terrell says it's all hearsay. Hand it around.

Terrell says story

Frank Castro representing Ocho at meeting who says to
group would pay \$1 million to kill Tambo. 1) Believe the
Tambo & CIA had killed - Carter killed at CIA request.Terrell saying that CIA present at the meeting
killing of Tambo, 3 Embassy - US / Honduras & Costa Rica
& President Costa Rica - saying it look like bandits.
Castro says Ocho doesn't care who gets credit.

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UNCLASSIFIED

NO DATE

J 2097
 MARK RICHARD - CRIMINAL DIV 633-2333
 VICTORIA TRENTING CRIM DIV 633-3721
 Susan Hochmire Fraud Section 724-6956
 Barbara Nicastro, Fraud Section, Crim Div. 724-6953
 Kenneth Barquist, Office of Legislative Affairs, 633-4187

80A
 Tom Byrne DEA Intelligence
 V. H. S. [redacted] 1000 Organized Crime
 [redacted] DEA
 Joseph G. Tapp 2nd/3rd Justice 724-710
 Thomas E. Alarum Internal Security, Justice 724-7070
 [redacted] U.S. Army, 5076 536 5400
 Charles S. Sappas Crim Div., NDD 724-7013
 George R. Scherck FBI LAC
 Al Sedgwick FBI/Terrorism
 Denis J. Fischer FBI/Terrorism
 George W. Baker FBI/Terrorism
 Jim Egbers FBI/INTEL DIV.
 Gail J. Burton FBI/Terrorism

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5619

Richard Depo
 G.F.4
 Jan 2-19-87

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NC Date

4123

Case →

Call all hicc - USA - from get details

4/10/86 - All Prices - Handwritten -
 1 - Want to meet subject - David Scott Weekly
 1/85 Weekly got into enemy - 1 with local cops & sand neck
 2 rolls c4 - needed c4 in train - measures for freezing officials
 Weekly puts c4 on 3 flights - commercial flights to Vegas. to
 said into the Weekly shipping on much c4 around country.
 Weekly works for Tom LaFrance, out of San Diego & Bob
 CIA Fritz [MIA]
 Fritz lives in a compound outside of Vegas. Police
 officer tapes Weekly posts on tape that he's tied into CIA +
 Hamefurs - said he reports to people to reporting to Bush.
 Albert Schengen - also related to Weekly Schengen on
 problems from Diego Diego areas.

calls/ CIA was contacted ATF show - no CIA connections
 1) Weekly's phone calls call Nestor Pons, Spec Asst.
 1/30/86 Underwriting for Security Assistance - soon

Pons's boss is William Schneider

2) Phone calls from Weekly's alt. Va. - Tom Harvey of NSC
 1/30/86

(B) Call from Weekly to Customs -
 FNU Logan

Vault Technology

Handwritten has talked to USA

Richard Depe

Ex 5

Jan 8-17-87

5620

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24 NOV 85

Brig'ing 11-24-8

Get all press clips on Nicaragua.

No involvement of U.S. officials diverting
 No prof of lining of pockets.

Division of govt funds to buy weapons

NSC

Leon Kelner told to slow down

No criminal violation → \$ for bullets
 Criminally to defend U.S.

Leon Kelner →

get
 3 mids
 80 mids

2 shipments out
 to

beyond transportation
 goes to payment + hiring
 of mercenaries

Et

no written prohibited stock exchange information

United declaration looks like "we like the contract"

If we decline for Natl Sec. reasons
 have to report to Congress

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5621

Richard Depo

Et # 6

8-19-87 Jm

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2 Oct 86

J 4614

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ROUTING AND TRANSMITTAL SLIP		Date
		October 2, 1986
TO: (Name, office symbol, room number, building, Agency/Post)		Initials Date
1. Mark M Richard		
2. <i>Mr Stone</i> <i>that, according to him</i>		
3. <i>He did, agreed to briefing</i>		
4. <i>verified SST - sent 5th app.</i>		
5. <i>small items app.</i>		
Action	File	Note and Return
Approval	For Clearance	For Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

We have reviewed the attached draft teletype and proposed letter from Assistant Secretary Abrams, and discussed this matter with Roger Yochelson of OIA. We note two inaccuracies in A/S Abrams' letter. First, contrary to the assertion in his letter, Justice has not intervened on [redacted] behalf to recommend that he be sent to [redacted]

At sentencing, the Government was silent on this issue. Since then, we have neither supported nor opposed sending [redacted] Second, although

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Richard Repo

Ex 7

8-19-87 Jon

J 4615

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- 2 -

A/S Abrams represents that Justice is prepared to brief the [REDACTED] on the evidence and legal process in this case, we are not aware of any such plans

We understand that the attached communications have not yet been sent. We strongly urge that, before transmitting A/S Abrams' letter and the draft teletype be modified to clear up these two points

SST
agrees

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J 4616

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ROUTING AND TRANSMITTAL SLIP		Date
TO: (Name, office symbol, room number, building, Agency/Post)		10/2/86
1.	John Martin Int. Security	
2.	2007R	
3.	Mr. [Signature]	Yes 10/2
4.	Mr. [Signature]	
5.		
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As Requested	For Correction	Prepare Reply
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REMARKS

Mark Richard asked me to send this to you for your comments (to him). We feel State vacillates DOT position - Please see marginal notes. Thanks.

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	Phone No.
	272-8017

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44 NOV 86

NUMBER OF PAGES: 8
(excluding cover sheet)

DATE: 11/14/86

TO:	NAME & POSITION <u>MARK RICHARDS</u>	PERSON'S FTS PHONE NUMBER
	AGENCY, DIVISION & UNIT	FACSIMILE MACHINE FTS NUMBER <u>633-5143</u>
	ADDRESS (with room number)	FACSIMILE MACHINE VERIFICATION NUMBER <u>633-3684</u>
FROM:	NAME & POSITION <u>LORENA SCHOFIELD</u>	SENDER'S FTS PHONE NUMBER
	AGENCY, DIVISION & UNIT United States Attorney's Office Southern District of New York	FACSIMILE MACHINE FTS NUMBER (Automatic) <u>662-9178</u> (212) 791-9178
	ADDRESS (with room number) One Saint Andrew's Plaza, Rm. <u>728</u> New York, New York 10007	FACSIMILE MACHINE VERIFICATION NUMBER <u>662-1139</u> (212) 791-1139

SPECIAL INSTRUCTIONS:

CARRY ASAP TO MARK RICHARDS

Nov 14 2 30 PM '86

ENCLOSURE
OPERATION

Richard Deps

El 8

for 8-19-87

Richard Dep. ind. 8

THIS SHEET MUST BE USED ON ALL TRANSMISSIONS THAT ORIGINATE FROM S.D.N.Y. U.S. ATTORNEY'S OFFICE

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J 4006

Z 'd 08:51 PM/4/11

ANGS ALLU 'S'N

DRAFT

This statement is submitted in response to the Court's inquiry concerning the effect on this case of recent disclosures concerning the authorized shipment by the United States of arms to Iran. At the Court's request we address three issues: 1) the merits of the case, 2) bail, and 3) the scheduled trial date.

MERITS OF THE CASE

All of the charges in this case arise out of the defendants' schemes to make false statements to the United States. The events discussed by the President late last week have no bearing whatsoever on the illegality of plots to defraud the United States, as charged in Indictment 88SS 86 Cr. 384 (LBS).

The Indictment charges three types of crimes all arising from the defendants' efforts to misrepresent to the United States the intended destination of arms, which the defendants in fact were attempting to sell to Iran. The first five counts charge conspiracy to defraud the United States and make false statements. The next 46 counts charge a scheme to defraud the United States using wire and mail communications. The last five counts charge that some of the defendants actually made false statements to the Office of Munitions Control in the Department of State.

The Department of Justice ^{carefully} has reviewed this case in connection with the recent events ~~as~~ discussed by President Reagan in a nationally televised address last Thursday. The Department ^{with no intention} has advised the United States Attorney's Office that these events ^{connection with} have ~~no~~ connection with ~~the~~.

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J 4007

C'd 10:31 PM 7/1/11

NGS 1120 3-1-1000

in this letter to the Department of Justice in Washington

charged in the Indictment. The United States Attorney's Office is further advised that no exculpatory, i.e. Brady, materials exist by virtue of those events. ^{Recent inquiries confirm our} ~~no basis for belief~~ previous statement that there is nothing to suggest that the defendants were a part of any officially sanctioned efforts by the United States to ship armaments to Iran. ³

We would respectfully remind the Court that five separate conspiracies or proposed arms deals are charged in the Indictment. In connection with only one, the "Vianar Conspiracy," did any of the defendants discuss or even suggest during the undercover negotiations that the specific arms deal in question had been submitted to the United States Government for approval and that the Government was considering it. As for that proposal, that assertion that the proposal was sanctioned is demonstrably inaccurate and, in any event, unrelated to the recent disclosures. [As for the remaining four conspiracies, the defendants' assertions that the transactions were authorized are also without foundation. They are speculative defense raised by counsel only after the arrests.]

Accordingly, the Government submits that the merits of the case are not affected by recent disclosures and news reports.

BAIL

All of the defendants are free on bail except the defendant Albert Flearmoy. We have agreed to a bail package for Mr. Flearmoy in view of his representation last week for the first time that he actually has funds to deposit as security for

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FROM U.S. ATTY SDNY 11/14/84 15:32 P. 4 TOTAL P. 4

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J 4008

his release. Until last week, Flearmoy's counsel had not presented for the court's consideration any bail conditions that Flearmoy could meet.

We oppose any modification to the bail conditions previously set by the Court for the remaining defendants. In our view, the trial should proceed expeditiously as scheduled, and the strength of the Government's evidence is unaffected by recent disclosures.

TRIAL DATE

All pretrial proceedings should be concluded in a timely fashion such that trial can begin as scheduled on February 2, 1987. In view of what is described above, there is no basis for additional discovery related to the recent disclosures.

Moreover, ^{case}defendants cannot raise an apparent authority defense. *EXPLAIN*

affirm Accordingly, ^{under this authority}as discussed in the Government's memorandum of law in opposition to the defendants' discovery requests, defendants are not entitled to information related to the recent disclosures.

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take 1
THOMAS;mhl

~~UNCLASSIFIED~~ **TOP SECRET**

1

Current

HOSTED

DEPOSITION OF JOHN N. RICHARDSON, JR.

Wednesday, July 22, 1987

4347

U.S. House of Representatives

Select Committee to Investigate
Covert Arms Transactions in Iran

Washington, D.C.

The committee met, pursuant to call, at 1:30 p.m., in
room B-352, Rayburn House Office Building, with Pamela
Naughton (Staff Counsel, House Select Committee) presiding.

Present: Pamela Naughton, Staff Counsel, Staff Counsel,
House Select Committee; W. Thomas McGough, Jr., Associate
Counsel, Senate Select Committee; and Kenneth Buck, Assistant
Minority Counsel, House Select Committee.

Also Present: Jack E. Perkins, Deputy Assistant
Attorney General, Office of Legislative Affairs, U.S.
Department of Justice.

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by N. Menon, National Security Council

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2

1 MS. NAUGHTON: Could you state your full name?

2 THE WITNESS: John North Richardson, Jr.

3 MS. NAUGHTON: My name is Pam Naughton. I am
4 Staff Counsel to the House Select Committee to Investigate
5 Covert Arms Transactions with Iran.

6 MR. MCGOUGH: Tom McGough, Associate Counsel to
7 the Senate Select Committee.

8 MR. BUCK: Kenneth Buck, Assisant Minority Counsel,
9 with the House Select Committee.

10 MR. PERKINS: Jack Perkins, Office of Legislative
11 Affairs, Department of Justice.

12 BY MS. NAUGHTON:

13 Q Mr. Richardson, could you tell us what your title
14 is?

15 A It is Assistant to the Attorney General and Chief
16 of Staff.

17 Q What do your duties include?

18 A I am basically responsible for the office
19 operations, Office of the Attorney General, and that includes
20 supervising a number of lawyers, the paper flow in and out
21 of the office, the schedule operations, travel operations,
22 and basically daily management of issues that are coming
23 through the office.

24 Q Just so I have the structure correct, at around
October-November of '86, Mr. Cribb was in your office,

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~~TOP SECRET~~

3

1 Kenneth Cribb?

2 A Right.

3 Q Did you work for him or was that sort of separate?

4 A Yes, I did. He was Counselor to the Attorney
5 General and my reporting relationship was through Cribb to
6 Meese, although as a practical matter, I did a substantial
7 amount of my work without checking with him.

8 Q Now, could you tell us where you graduated from law
9 school?

10 A University of Virginia.

11 Q What year was that?

12 A '82.

13 Q What did you do after law school?

14 A I was Law Clerk to a U.S. District Judge in
15 Richmond, Virginia for one year.

16 Q Which judge was that?

17 A Dorsch Wariner.

18 Q Okay, and after that one year Clerkship with the
19 judge, what did you do?

20 A I joined the staff of the Counselor to the
21 President, Mr. Meese, when he was at the White House.

22 Q This was in '83?

23 A Yes, June of '83.

24 Q What did you do as Mr. Meese's assistant at the
25 White House?

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~~UNCLASSIFIED~~

4

1 A I was a volunteer in that office for the first
2 couple of months, and I basically worked as assistant to Ken
3 Cribb, who was Meese's assistant. In August, I was put on
4 the payroll and for the first probably six months, I worked
5 primarily on judicial selection matters, and preparing briefs
6 for meetings and reviewing incoming papers, helping to
7 organize them, and whatever projects Cribb gave me.

8 Q After that period of time?

9 A Then Meese's Special Assistant left the staff. I
10 was made Special Assistant and I guess my duties, the
11 responsibilities, increased. I became involved in more
12 substantive matters, more meetings. I would attend
13 meetings and occasionally with Mr. Meese, take notes.
14 Essentially the same, but I guess doing more of that.

15 I became, when he was nominated to be Attorney General,
16 I was working on the confirmation document production,
17 working on those issues. I guess I also was, I was the
18 lawyer -- Cribb and I were two lawyers on the staff, and
19 when, for example, when debate came along, I was tasked with
20 going through all of his documents to see if anything was
21 responsive. So I would take on projects like that, too.

22 Q During your years at the White House did you do
23 any staff work regarding Mr. Meese's role in the National
24 Security Counsel or NSPG?

25 A No. I saw paperwork occasionally but no staffing,

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1 as I recall.

2 Q Did you attend any meetings either on your own or
3 with Mr. Meese during that period of time at the White House
4 regarding funding for the contras, Nicaraguan resistance?

5 A I don't think so.

6 Q Did you participate in any discussions or any
7 meetings involving soliciting money from third countries to
8 support the contra movement?

9 A No.

10 Q Did you have anything to do while you were at the
11 White House with processing any form of findings for covert
12 actions?

13 A No. Again, I may have seen certain documents in
14 the safe if I were looking for something like that, but I
15 was not otherwise involved.

16 Q Do you know what your clearance was while at the
17 White House?

18 A I think top secret, but --

19 Q Code word?

20 A No. I think I would know and I don't, never knew
21 about code word until I got to the department.

22 Q When did you get code word clearance?

23 A Well, it was definitely after March of eighty --
24 let me think here -- I came to the department in March of

-- 1985 It was some time after that. I don't know precisely.

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1 Q Shortly after?

2 A After I had been at the department several months
3 I took over doing [REDACTED] and for a period of time
4 when I took that task on, ^{Steve} Stahl Gailback in the office
5 continued to do the code word stuff that would come in [REDACTED]
6 [REDACTED] I took those over -- I am not just sure when it was.
7 It was a substantial period of time.

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Q Now, along this same period of time, in '85, early '86, were you aware of efforts on the part of DEA agents to be tasked with locating and/or extricating hostages held in Lebanon?

A No.

Q When did that come to your attention?

A I am not sure. I know it was some substantial period of time after the Iranian initiative had been made public and --

Q Something after November of '86?

A Definitely after that, and it may -- it could have been later than that. I think I became aware of it when it became a matter of general public discussion that there had been some sort of DEA assistance.

Q Did you have any discussions with the Attorney General about the FBI participation in this effort?

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1 A After I learned about it?

2 Q Yes.

3 A I don't think so.

4 I know he was briefed by Jack Lawn, but I did
5 sit in on that briefing, other than to say something, I may
6 have said we need to find out what DEA did, or something
7 along those lines. We didn't have any detailed discussion
8 of it at that point.

9 Q Do you know of any discussions with the Attorney
10 General in which you either participated or were present at
11 which the subject was mentioned that private funds were being
12 used for this operation?

13 A Well, more recently, the last couple of months,
14 there have been discussions like that, saying where we have
15 learned some information about what DEA did and who was
16 involved, but back at that point, no.

17 I guess that is your question, back when we first,
18 when I first learned about it?

19 Q What I am getting at is, was it ever discussed at
20 any time between the Attorney General and anyone else in
21 your presence, including yourself, that private monies had
22 been used for this operation?

23 In other words, had been authorized to be used or
24 there was a discussion to the propriety or legality of it?

25 A There have been, there have been discussions about

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1 that in the last two weeks, for example, but not before that
2 I recall.

3 Q What were the discussions in the last two weeks,
4 do you recall?

5 A Well, it was basically going over matters that
6 have been of public interest, preparing for his testimony,
7 and I asked from DEA General Counsel last week, the Chief
8 Counsel, documents that had been provided to the Hill so I
9 could inform Meese and inform the Attorney General about what
10 might be reviewed. So it was in that context.

11 Q Did the Attorney General tell you whether or not
12 he authorized the use of private monies for the DEA operations?

13 A He did not tell me that he authorized it.

14 Q Did he say he did not?

15 A I don't think he was aware of it. That is
16 obviously something that you should ask him, because --

17 Q Sure.

18 A There is no discussion of -- that I recall -- of
19 his having authorized it.

20 Q I want to take you to a time around March of 1986.
21 There is a case out of the Southern District of Florida, in
22 Miami, that is known by him at this time also. One is Garcia,
23 one is Corvo, and it has to do with basically two things,
24 an alleged assassination plot against Ambassador Tambs, and
-- some allegations of gun running to the contras. The

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1 investigation began sometime on or about December of '85,
2 and continued through '86.

3 Do you recall when this case first came to your
4 attention?

5 A No, I don't.

6 Q In March of '86, or thereabouts, do you know
7 whether or not you were aware of the case?

8 A I don't recall being aware of it. It is only
9 recently that I have been -- it is something that is
10 recognizable.

11 Q So, you don't think you learned of it until, shall
12 we say, after November of '86?

13 A Well, the question dealt with March of '86, right?

14 Q I am trying to get a handle on when you first
15 learned about the case.

16 A Okay. I think it is clearly after -- I believe
17 it would be after November of '86. It may have been much
18 more recently, since the beginning of the congressional
19 hearings on this initiative.

20 Q Are you aware, or were you aware, or are you now
21 aware, of any requests by anyone on the staff of the National
22 Security Counsel for a briefing on this criminal
23 investigation?

24 A I was not aware of any requests at the time that
25 they were made.

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1 Q Have you since come to learn NSC requested such
2 a briefing?

3 A I am not sure. I believe -- I am not sure if they
4 did or not. There have been a number of subjects that
5 have been covered in prep sessions in the last week or two
6 with the Attorney General, so I am not familiar with the
7 details of it. I may have heard something along that dealt
8 with this subject, but I don't recall it, so I am really not
9 in a position to answer.

10 Q Moving along to the month of November '86. Were
11 you aware on or about November 7 that Chuck Cooper was being
12 tasked to look into the legal ramifications of the Iranian
13 arms transaction?

14 A I believe I found out the tasking to Cooper fairly
15 soon after it was done, and I think I found out from Cooper,
16 but I am not positive. But I did know fairly soon after that
17 Cooper had been tasked to look into some of these issues.
18 I think it came up in the context of asking the AG about
19 making sure that we, OLC, is looking at some of these questions
20 and the AG having said Chuck is working on that. Something
21 like that.

22 Q Was there any discussion at that point -- let's
23 say from November 7th until the 20th -- regarding whether or
24 not the Criminal Division should take a look at it, being as
25 though the Arms Export Control Act and other Acts may be

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1 applicable?

2 A I don't recall any discussions suggesting that,
3 but I wasn't -- I was not intimately involved in that during
4 that time period before the 20th.

5 Q Did the attorney --

6 A OLC would normally advise on matters like that, as
7 opposed to the Criminal Division.

8 Q I am not asking about advise, I am asking about
9 investigation.

10 A No, I don't think there was any discussion. I
11 certainly was not aware of any, present in any discussions
12 where it was suggested Criminal Division investigate anything.

13 Q Did the Attorney General tell you whether or not
14 he had asked Mr. Cooper to do this of his own volition, or
15 whether or not he had been asked to help with a legal analysis
16 by anyone at the White House or NSC?

17 A I don't know the answer to that. He didn't
18 explain the reason for doing that.

19 Q You don't know how it was initiated?

20 A Other than the Attorney General asking Cooper to
21 do it, no.

22 Q Mr. Cooper has testified that he prepared a book
23 of statutes for the Attorney General to review. Did you see
24 that book or --

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1 Q Did it come through you or --

2 A I don't think so. I think he handed it to the
3 Attorney General.

4 Q And how is it that you came to look at it?

5 A I specifically recall seeing it over the course
6 of the couple of days before and during the weekend. Well,
7 I say I know during the weekend fact finding inquiry, I am
8 not sure about the days before. But I know I saw it over
9 the course of that weekend and afterwards.

10 Q Was there any analysis in the notebook or was it
11 something of compilation of statutes?

12 A I am just not sure. I think it was a combination
13 of statutes, but he had done, as I recall, Cooper had
14 provided a legal memorandum by the time of the weekend inquiry
15 and so whether that was in there, I don't remember.

16 I tend to think it was just the statutes, though.
17 Meese is very committed to looking at the law. He doesn't
18 like for you to tell him what it says, he likes to look at
19 the statute and all that sort of thing.

20 Q Were you aware whether or not the Attorney General
21 participated in drafting or reviewing any of the President's
22 statements that were made between the time period of say,
23 November 4th and November 20th?

24 A Can you give me a hint about what they would be?

Q Well, the President gave a statement, I believe,

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1 on November 13th.

2 A That was that speech to the nation?

3 Q Yes. He had another press conference on November
4 19th.

5 A Yes. I just don't recall whether he did or not.

6 Q Do you recall getting any drafts from the White
7 House?

8 A I just don't remember. I know, I don't think we
9 got anything circulated formally. That is, through the
10 Office of Cabinet Affairs at the White House into our
11 Executive Secretariat.

12 Q If it got circulated informally, would it have
13 come through you?

14 A Most likely it would have come through me, because
15 there are standing instructions on our staff, which Meese's
16 personal secretary abides by as well, if a package comes in
17 it is normally kicked to me. So I probably would have seen
18 it, but I just don't recall whether one was sent or not.

19 We have done, as I said, we have done a couple of
20 speeches on a close hold basis where a text would be sent
21 over and come to me and he would take a look at it, but
22 actually statements were more on the point, but I just recall
23 it if these were one of them, I tend to think not, but I am
24 just not sure.

25 I know after the 25th of November, for example,

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1 the President's statement on the 25th of November, Meese was
2 involved with, and I don't know, I know there was a statement
3 concerning -- I believe it concerned immunity in December of
4 '86, that I think he was involved with, but I recall those,
5 but I don't recall the others.

6 Q Moving then to November 20th, the Attorney General
7 was scheduled to spend most of the day at West Point. Do you
8 recall what it was that cancelled or changed those plans?

9 A It was basically I think twofold, but his reaction
10 to the President's news conference and the next -- that was
11 a Wednesday night. The next day, Thursday, I believe there
12 was a meeting scheduled in Poindexter's office to review
13 Casey's testimony, and either Poindexter's testimony or
14 material he was going to use to brief members of Congress.

15 I think, I don't know if the AG called me
16 Wednesday night or if I found out first thing Thursday
17 morning, but he called and said that he was going to be
18 attending this meeting and that he would delay his departure
19 by I think it was four or five hours.

20 I believe he was scheduled to be in classes at
21 West Point teaching, and that sort of thing, Thursday
22 afternoon. He delayed it until a dinner function.

23 Q You made those arrangements?

24 A Well, I probably called our travel guy and said
for this because he is not going to leave until "X" time.

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1 but I think the Army, I believe flew him up there, so it
2 was pretty simple. They were providing the plane. So I
3 think we delayed his departure time.

4 Q Does the Attorney General have a driver?

5 A Yes.

6 Q For all his transportation? That is from home to
7 office and meetings and so forth?

8 A Yes. If he goes out, he will frequently not use
9 a driver on the weekends, or unless he is going to a particular
10 function or something like that, but if he leaves the house
11 he normally has an FBI person with him and sometimes they
12 will go in his car, sometimes the FBI car, but for business
13 functions, he would be brought to work by the department
14 driver and taken to and fro.

15 Q When would it be he would have an FBI driver with
16 him?

17 A It may be on weekends. If say it is Christmas
18 time, if they are going to go out to get the tree on the
19 weekend or when he goes to church on Sunday, I think they
20 drive a family car and the FBI follows him to church. So it
21 sometimes, like in those circumstances, they would not, he
22 would not have an official driver. Most of the time, he does.

23 Q During the weekend of November 21 through the 23rd,
24 do you recall whether or not for that period of time, you

were with him and were using a department vehicle or personal

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1 vehicle?

2 A I think he had, well I used the personal vehicle.
3 For example, when I went over to the White House to go through
4 Ollie North's documents, but I believe the AG had his driver
5 on duty that weekend. I recall after lunch on Saturday, his
6 getting into his department car and I could be wrong on that,
7 but that is my recollection.

8 Q Now, we were on the 20th and the delayed departure.
9 Do you recall, did you see a draft of Mr. Casey's testimony
10 prior to the meeting to review the testimony on the afternoon
11 of the 20th?

12 A I don't think so. I don't recall it if I did, but
13 I don't believe I did.

14 Q Did you see it after that?

15 A I don't think so. I mean, I may have seen a
16 document, I may have seen a draft in Chuck Cooper's hand, for
17 example, but I don't recall having looked at a draft.

18 Q Were you at the session to review Mr. Casey's
19 testimony?

20 A No.

21 Q Did you speak to the Attorney General about it
22 after he returned from the drafting session?

23 A No. As I recall, he went straight from the White
24 House to I think Andrews Air Force Base and on up to West
25 Point.

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1 Q Do you recall when that was?

2 A Well, I made an inquiry to try to find out, and
3 this is more recently, and I think it was, I believe he had
4 wheels up at around 4:30 and/or 4:40, and so it is probably
5 -- I think we estimated he left the White House around 3:30,
6 because at that time of day, it is probably 45 or 50 minute
7 drive out there. I think their takeoff had been delayed by
8 rain or something. It is in the 3:30 range.

9 Q Now, do you recall the Attorney General receiving
10 any calls from anybody at the Department of State on the
11 afternoon of the 20th?

12 A No. I just don't recall.

13 Q Do you know whether or not he spoke to Judge Sofaer,
14 Legal Advisor from the State Department?

15 A I don't know.

16 Q Do you know whether or not he spoke to Secretary
17 of State Shultz that day -- the 20th?

18 A I don't know.

19 Q Would those calls normally have come to you in
20 his absence?

21 A I think if the system worked, I would have been
22 notified that they had called, but I just don't know whether
23 I was or not. If he was not in the office a call like that
24 would be put on his telephone log and frequently if a Cabinet
25 official calls, I would return it and see if there were

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1 anything that we could lend a hand on, although I don't
2 recall whether there was a call or whether I did that.

3 Q Do you know whether or not Deputy Attorney
4 General Burns received any telephone calls from the
5 Department of State that day?

6 A I have been told since that day that he did. I
7 didn't know that he had then.

8 Q When did you learn that he had?

9 A I recall learning about it in the last several
10 weeks.

11 Q So it was not brought to your attention at the
12 time it occurred on November 20th?

13 A That is right. I don't recall it having been.

14 Q Did you speak to Mr. Burns about it after learning
15 about it?

16 A No.

17 Q How is it that you learned then that that
18 telephone call took place?

19 A It may have been during congressional testimony,
20 which I was watching on TV, or it may have been from Chuck
21 Cooper.

22 Q Were you present when Deputy Attorney Burns spoke
23 to the Attorney General about this phone call?

24 A No. I mean, I think a few weeks ago when this came
25 up, I think we figured out that Meese probably took the call

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1 Q When you say we figured out, who is we?

2 A I asked a couple of my secretaries in the office
3 to figure out when Meese took off from Andrews, talked to
4 Cooper to see how long the meetings was in the White House,
5 and I guess Chuck Cooper indicated the approximate time of
6 the call or that information came from someone, and the
7 estimate was Meese was probably in the car when it happened.

8 Q So the Attorney General did not tell you about the
9 call I guess at any point and certainly not November of '86,
10 is that correct?

11 A I don't recall him mentioning it in November of
12 '86. He has mentioned it in the last several weeks.

13 Q Now, on the evening of the 20th, were you called
14 by anybody from the Department of Justice regarding the
15 discrepancies that had come up between the recollection of
16 Secretary Shultz and the statements made in the Casey
17 testimony?

18 A I don't think I was. I don't believe I was. I
19 believe I got a call. It might have been from the Attorney
20 General, or from the staff member who was in West Point with
21 him, indicating that -- probably from the staff member -- but
22 indicating that he had had a conversation with Chuck Cooper
23 and that he was returning to Washington first thing the next
24 morning and cancelling the Friday leg of his trip, and I
25 believe I called that night, Bruce Zanka, who is our travel,

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1 he handled traveling arrangements for the Attorney General
2 to make sure everything was wired. I think I put him in
3 touch with West Point.

4 Q Do you recall when it was that the Attorney General
5 arrived back in Washington, D.C. on the 21st?

6 A I don't recall. I know in looking back at staff
7 meeting notes that -- I don't think he was at the 8:30
8 meeting that day. So he may have arrived right afterwards,
9 but I think it was fairly early, at the start of most people's
10 day, a couple of hours after he normally begins.

11 Q Were you at the staff meeting on the 21st?

12 A I think so, because I believe I saw some of my
13 notes from that day.

14 Q Did anything occur at the Friday morning staff
15 meeting that is of relevance to the Iranian arms sales or the
16 Nicaraguan resistance?

17 A Well, there is an entry from my notes where the
18 subject is mentioned but there is nothing significant. I
19 don't think there was anything significant at the time and
20 now I don't think anything significant occurred.

21 MS. NAUGHTON: If you could mark this, please.

22 (Exhibit No. 1 was marked for identification.)

23 BY MS. NAUGHTON:

24 Q I am showing you what has been marked as Exhibit
25 No. 1 to this deposition. Are those your notes?

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1 A Yes.

2 Q Of the staff meeting?

3 A Yes.

4 Q And your notes indicate, do they not -- firstly,
5 do you know where the originals of these notes are?

6 A I believe they are in my office's possession with
7 material that -- I think what we have done is kept an
8 original of everything that is produced and they are I believe
9 with that. Although they have been searched in response to
10 other document requests in other matters from the Independent
11 Counsel Walsh and another matter. They have been reviewed
12 for relevant material for another matter, so I can't -- I
13 provided to the Independent Counsel Walsh originals of most
14 of my notes, if not all, in this matter, and I don't think
15 I provided the originals of these notebooks to him, I think
16 I still have got them. They are one of two places.

17 Q We were told last Friday at the Department of
18 Justice that the originals were at the White House.

19 A No, no.

20 Q To be kept for Wedtech.

21 A Those are Meese's notebooks only.

22 Q Your originals are then, where precisely would
23 they be?

24 A I can't tell you. I don't know. We have got --
25 we have got -- there is a location in our office where we

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1 have got all of these, all of the original materials. I
2 think they are put in one location to be made available for
3 inspection. What is it? I am not sure if they are physically
4 in the White -- what is in the custody of the White House are
5 Meese's spiral notebooks, handwritten notebooks in spiral
6 notebooks.

7 Q If we can then go to this exhibit, which is
8 obviously a redacted copy. There is an entry that says
9 "Weld" -- which I assume refers to Assistant Attorney Weld
10 -- Assistant Attorney General for the Criminal Division,
11 is that correct?

12 A Yes.

13 Q And the reference reads "How long AG to carry legal
14 load alone -- various agents involved. JRB" whom I assume
15 is Mr. Bolton, he is Assistant Attorney General for the Office
16 of Legislative Affairs?

17 A Yes sir.

18 Q "Response focus Cooper, et cetera -- as develops,"
19 and then Weld again, "CRM Division," which I assume stands
20 for Criminal Division?

21 A Yes.

22 Q "Needs to be informed for impact on other cases."

23 A Yes.

24 Q Could you tell us exactly what those notes indicate
25 the discussion was?

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1 A Okay, I don't have a specific recollection but
2 this is what I think they mean.

3 That Weld was mentioning that the AG should have
4 others involved in trying to figure out what statutes were
5 implicated by the transactions that we knew had occurred.

6 Q You are speaking about the U.S. sponsored Iranian
7 initiative arms transactions?

8 A Well, I am speaking of the Iranian initiatives
9 and I guess at that point, we didn't really know. I am not
10 sure when precisely I became aware enough to know there were
11 questions about what happened in '85 and who had sponsored
12 or approved, but it is that whole series of arms shipments
13 and initiatives in that regard.

14 Bolton pointed out that Cooper is already involved
15 in that, that his office has been the focus of this legal
16 review and Meese was not, that the department was formally
17 involved in doing that, Meese wasn't doing that alone. And
18 that then Bill's point, Weld's point for second entry is that
19 Criminal Division needs to be informed of foreign impact on
20 other cases. There were, as I recall, there are pending
21 arms shipment cases in a number of districts around the
22 country and he was just concerned that whatever legal
23 conclusions or factual development, I guess I think the
24 legal conclusions OLC was reaching were they were aware of.

25 Q When you say Mr. Weld mentioned the AG should have

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1 others involved, did he mention the Criminal Division?

2 A No, I don't believe this was -- this referred to
3 getting the Criminal Division involved. I think it just
4 referred to generic comment that there are others that need
5 to be involved, the department needs to look at these legal
6 questions.

7 I guess he was not aware that OLC had been tasked
8 to do that, which is what the Bolton note indicates.

9 Q Did he indicate in any way concern with the
10 Attorney General acting as fact finder?

11 A I don't recall anything along those lines, no.
12 I think I would have -- I don't have any specific, clear
13 recollection of this meeting, but I think something like that
14 I would have noted in my notes because this was what makes
15 me think the AG was not present because I wrote a note here
16 on the margin, AG, with an arrow and star.

17 That star circled for me is an action notice
18 which hopefully I follow up on. That means to me that I need
19 to tell Meese about this conversation or this suggestion and
20 I think if there had been a concern raised by the AG that is
21 the kind of thing I specifically would have written down.

22 Q Was there any other discussion other than Mr.
23 Bolton's reply to Mr. Weld's comment?

24 A I don't recall any.

25 Q Since you indicated with a star it should be

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1 followed up, did you follow up on that?

2 A I don't recall doing that or not.

3 Q Did you tell the Attorney General about this
4 comment when he did return on the 21st?

5 A I don't recall whether -- I don't have any
6 recollection of doing that or not doing that.

7 Q Did you tell him at any time?

8 A I don't recall. I just have no recollection of
9 such a conversation. I mean, I was not, I may have or I
10 may not have, I just don't recall, but this notation means
11 that this is something I think I should tell Meese about.
12 This is not a tasking to me out of the meeting that I have
13 action on Weld's behavior to inform Meese. That is what I
14 try to do. This kind of notation would not indicate that
15 I have been tasked to take this and be assured that it is
16 done.

17 Q Did anyone inform the Attorney General of Mr.
18 Weld's comments in your presence?

19 A I don't recall whether they did or not. This
20 reference to things like this New York case, where there is
21 an arms shipment prosecution underway and --

22 Q Well, let's get specific when you say this. Are
23 you referring to his last --

24 A This last entry.

-- Q Criminal Division needs to be informed?

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1 A For impact on other cases.

2 Q That refers to the New York case?

3 A Yes, that is what I believe.

4 Q The first reference, however, to the Iranian arms
5 shipments?

6 A Yes.

7 Q I wanted to be clear.

8 Now, when that meeting broke up, do you recall
9 whether or not this subject was discussed with anyone
10 informally or as the meeting was breaking up?

11 A I don't recall.

12 Q Do you know whether or not the Criminal Division
13 prepared any research papers or materials or memoranda on
14 the Iranian arms sales, the U.S. initiatives?

15 A Well, I have been told that they did and I saw
16 such a memo this week for the first time. I don't think I
17 knew until the last few weeks that they did. But apparently
18 such a memo was prepared, either over the course of this
19 weekend or this weekend in November of '86.

20 Q Who brought it to your attention that the Criminal
21 Division had prepared a memo?

22 A I don't recall.

23 Q Did Mr. Weld?

24 A I don't think so. It might have been Cooper or
25 Bolton but I don't recall.

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1 Q Do you know where they received the information
2 that a memo had been prepared?

3 A No.

4 Q Moving along then to when the Attorney General
5 returned the morning of the 21st, when he first returned, did
6 you meet with him?

7 A I don't recall whether I did or not. I probably
8 did, but I don't recall whether I did.

9 Q And what can you recall that happened Friday
10 morning, the 21st?

11 A I believe that he went over to see the President
12 late morning, and I recall that we got together for lunch --
13 Cooper, Reynolds, Meese. I am not sure if Bolton was there,
14 but he may have been, and myself. And he told us how we
15 were, what the President had asked him to do and how we were
16 going to be spending the next couple of days.

17 Q Well, prior to the Attorney General's going to see
18 the President, were you aware he was going to see the
19 President?

20 A I probably was, yes.

21 Q What did you know prior to that meeting taking
22 place, what did you understand was the purpose of that
23 meeting?

24 A I don't think I knew the purpose.

25 Q Well, you knew the Attorney General had cut short

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1 his trip.

2 A I surmised things, but I don't think he told me
3 what he was doing. I knew he was going over to the White
4 House.

5 Q You didn't know why?

6 A No. I assumed it was to discuss the topic of
7 special interest, which was the Iranian initiative. But I
8 don't recall whether I knew what problems there were or
9 not. There may have been a Friday morning meeting that I
10 attended. I just don't have any recollection of it now.
11 There may have been a note or something that would refresh
12 but I don't recall.

13 Q When the Attorney General returned from his meeting
14 with the President, what did he tell you about that meeting?

15 A Well, as best I recall, over the course of lunch,
16 he said that the President had asked him to conduct a
17 fact finding inquiry to try to determine what had transpired
18 in this Iranian initiative, that there seemed to be different
19 recollections of what had happened and that it didn't seem
20 that anyone was in a position or did know the full set of
21 facts, and there was going to be a NSPG meeting on Monday
22 and that the President had asked Meese to try to look into
23 the matter and see if he could put together a factual picture
24 on what had occurred.

When he saw the President's news conference

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31

1 Wednesday night he was concerned because I think the statement
2 about not, no third countries being involved, I think he was
3 concerned about the performance of the President and inaccurate
4 statements being made, and he was concerned that he had not
5 been properly briefed or informed, and I gathered from the
6 lunch there had been a discussion, the meeting the day before
7 had resulted in the viewpoint that their people didn't seem
8 to know what was going on, and that the President didn't
9 have a complete picture of the facts.

10 Q When did he tell you that he was concerned about
11 the President's remarks at the President's press conference?

12 A I don't recall specifically. I don't know that
13 it was -- it was a poor performance in the press conference,
14 there seemed to be -- this is my own impression -- the
15 President seemed to be unsure about some of the facts, seemed
16 not to understand that question. A correction was issued and
17 Meese, I don't think we got into detail, but I think that as
18 I recall, he shared that impression.

19 Q But do you recall when he shared that impression?

20 A No.

21 Q Did the Attorney General indicate to you when he
22 met with the President, in what capacity he was setting
23 forth on this fact finding inquiry?

24 A I just don't recall. I don't recall that. I
25 don't think so.

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*John Richardson***UNCLASSIFIED**

32

1 Q I guess my question is did he explain why it was
2 that he, Ed Meese, Attorney General, was going to be tasked
3 with finding the facts as opposed to a Don Regan or Mr.
4 Wallison or Secretary of State Shultz or someone else in the
5 Administration?

6 A I don't think he explained to us where the
7 President wanted this done. I think he told us we were going
8 to do this. It didn't seem odd to me, so I didn't ask about
9 it.

10 Q Did he explain whether or not it was the President
11 that tasked him with this or whether he asked to be able to
12 do it?

13 A He did not state which of those was the case. He
14 just said the President wanted him to do this or had asked
15 him to do this.

16 Q During that, I guess you met for lunch that day?

17 A Yes sir.

18 Q Do you recall who else was present?

19 A I recall Meese and Reynolds, Cooper, Richardson,
20 I think Bolton may have been present, but I am not sure. I
21 know Bolton was present at a similar lunch the day before.

22 Q On the 20th?

23 A Yes.

24 Q Was part of this discussion at lunch surrounding
25 Mr. Casey's testimony?

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Take 2

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fls myself

1 A Part of the discussion, certainly. It certainly
2 involved that, but we didn't have the testimony. It wasn't
3 a session to go over the testimony as I recall. I think the
4 two -- again, I had not made myself intimately familiar with
5 the facts in that sort of thing at this point, but I, as you
6 recall, Cooper was reviewing some of the applicable legal
7 requirements, and Bolton was updating him on events that were
8 underway with the Hill, and I don't think that the testimony
9 was passed around and gone over, but I think it was, certainly
10 it was in the context of Casey going up the next day.

11 I think Bolton might have been at this lunch
12 Friday because at some point he debriefed us on, he sat in
13 on some testimony and took some notes, I think at some point
14 he debriefed ~~Meese~~ on what had happened.

15 Q Do you recall when he did that, what his statement
16 was regarding what Casey had told Congress regarding the
17 November 1985 Hawks?

18 A No, I don't recall that.

19 Q Now, as far as the lunch on Friday, can you tell
20 us what was discussed?

21 A Well, as best I recall, he explained that we were
22 going to be engaged in this fact finding inquiry, he discussed
23 who should be, who he should meet with and interview. I think
24 he put together a list. He asked if we could make, if our
25 schedules were clear and that sort of thing, and that is all

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34

1 I specifically recall.

2 When we got together over the course of the weekend
3 the small team we would review the state of play, what do we
4 know so far, what seems to have now -- these are the state
5 of facts as we know them thus far. That may have happened,
6 but I don't specifically recall that happened or not.

7 Q Was there a discussion at that meeting of who was
8 to comprise the team?

9 A I don't recall any specific discussion about it,
10 no.

11 Q Was there any discussion of excluding anyone from
12 the inquiry?

13 A I don't recall any discussion about that either.

14 Q In other words, did the Attorney General make any
15 statement as to I pick you folks to do this because, or give
16 you any reasons for why these particular people were brought
17 together for an inquiry?

18 A No, I don't think so. I don't recall any.

19 Q Was there another meeting bout 2:00-2:30 that
20 day?

21 A I don't have any separate recollection of it.
22 There may -- I also -- while you mentioned that, I think it
23 was at lunch he told me I should keep a log of the meetings,
24 of his schedule of the course of the weekend, what meetings
-- were held and how long they went and who was there. So there

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35

1 may be a note that indicates there was such a meeting, but
2 I don't recall it.

3 Q Why were you to keep this log of scheduled
4 meetings?

5 A He didn't explain why. I assume so we would know
6 who we talked to and what order and for how long. I am not
7 sure, I think it was probably at lunch, but at this point,
8 lunch or 2:00 or 2:30 meeting, he basically -- the tasks were
9 assigned, that Meese would be the primary interviewer, Cooper
10 would be with him and would take notes.

11 This may have been right before the McFarland
12 interview, I am not sure of the time. He wanted me to keep
13 a log of events, what was done, when. I think Saturday
14 morning I learned that.

15 Friday night when I went home for -- I asked for
16 the copy of chronology we had, so I could write and try to
17 become familiar with the facts, and I think Saturday morning,
18 he determined to send Brad and me over to look at documents.
19 So he was sort of deciding who would do what and making a
20 list of people that should be interviewed, that sort of thing.
21 I think that was the nature generally of what was going on
22 at that point.

23 Q I gather Mr. Cribb was out of town at this point?

24 A Yes.

25 Q On this weekend?

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36

1 Q On this weekend?

2 A Yes sir.

3 Q Was there any discussion of bringing him back to
4 help out?

5 A I don't think so. He would hate to interrupt
6 anybody's vacation anyway. I don't think that was discussed.

7 Q Was there any discussion at this point Friday
8 either at noon or if there was a subsequent meeting at 2:00,
9 sometime in early afternoon o Friday, of whether Tow missiles
10 that were the subject of the '85 and '86 transactions, any
11 of them had been redirected to the contras?

12 A I don't recall anything of that nature. I don't
13 recall anything having to do with the contras coming up in
14 this regard until Brad Reynolds passed me the now famous memo,
15 when we were in Ollie North's office.

16 Q Is that a comment that you think you would have
17 remembered?

18 A Yes, I think I would have remembered that. The
19 reason I do is because when I was going through documents
20 there was mention in some of Ollie's files of sending some
21 Tows to [REDACTED] That stuck in my
22 mind like crazy. In fact, I asked him the follow-up question
23 about it in the interview and so I think, I am confident
24 I would have remembered such a comment.

25 Q Do you recall at what point on Friday it was

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37

1 decided that someone ought to go over and look at the
2 documents at NSC?

3 A No. My first recollection of that was Saturday
4 morning.

5 Q As of Friday, you did not know you would be tasked
6 with the next day going to the NSC to look at documents?

7 A Well, that is right. I don't recall the
8 specifically. It may have been, but I first -- my first
9 recollection of knowing that was Saturday morning.

10 Q We have heard testimony, of course, from Admiral
11 Poindexter he received a call from the Attorney General
12 around 3 o'clock that afternoon on the 21st, asking him to
13 make documents available. Were you aware of that phone call
14 when it took place?

15 A I don't -- well, now that you say that, I tend to
16 recall that somewhere in my notes I wrote down a call between
17 Meese and Poindexter that day -- 3:05 or something -- but I
18 recall the entry, I don't recall the subject. It is not --
19 Brad Reynolds -- I believe I am stating this accurately,
20 recalls, knowing that we would be looking at documents on
21 Friday, but my recollection is I don't recall that. Mine is
22 that it was on Saturday morning.

23 MS. NAUGHTON: If we can have this marked as
24 Exhibit No. 2.

25 (Exhibit No. 2 was marked for identification.)

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38

1 BY MS. NAUGHTON:

2 Q Exhibit 2 for the record appears to be a handwritten
3 chronology type log. It begins with 20 November, '86. Is
4 this in your hand, Mr. Richardson?

5 A Yes.

6 Q And is this the log that you kept that you were
7 describing earlier in your testimony?

8 A Yes. Although this, I don't think this was
9 contemporaneously kept. It was not. I think I put it
10 together from scrap, from scraps that I think you have as well.

11 Q All right. So, why don't we mark one of these
12 scraps now.

13 MS. NAUGHTON: Why don't we mark this number 3?

14 (Exhibit 3 was marked for identification.)

15 MS. NAUGHTON: We can mark this as Exhibit 4.

16 (Exhibit 4 was marked for identification)

17 MS. NAUGHTON: And this one is 5 and that

18 one is 6.

19 (Exhibits 5 and 6 were marked for identification.)

20 MS. NAUGHTON: This one is 7.

21 (Exhibit 7 was marked for identification.)

22 BY MS. NAUGHTON:

23 Q What I have tried to do here, Mr. Richardson, is
24 to put the items which appear to be logs or chronologies
25 together to both refresh your recollection and explain to us

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39

1 what some of your notes might indicate, so feel free to refer
2 to them as we go through them.

3 You mentioned you collected exhibit number 2 from
4 different scraps of paper?

5 A Yes.

6 Q Would one of those scraps of paper be exhibit no.
7 3, that one that is a two page document that starts off with
8 November 21, 11:30 to 12:15?

9 A Yes, I believe so.

10 Q Now, I assume that that note, November 21, 11:30
11 to 12:30, indicates the meeting that Mr. Meese had with the
12 President, right?

13 A Well, yes, but I think this -- it doesn't
14 delineate when he saw the President, when he saw Don Regan,
15 or I think he saw Regan before he went in to see the President.
16 I am not sure how long the Regan meeting was. But that is
17 how long he was in meetings at the White House.

18 Q Did you ask him how long the Regan meeting was?

19 A I don't think so.

20 Q Did you ask him how long the meeting with the
21 President was?

22 A No, I don't recall, no.

23 Q If you would turn that page over then, the next
24 page of exhibit 3, this starts off 6:25 p.m., AGC, JC, WBR,
25 JR, 21 November, update, Cooper.

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TOP SECRET
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40

1 A Right.

2 Q Was this made on the 21st of November?

3 A I think it was.

4 Q Can you tell us what this is, what your notes on

5 the piece of paper indicate?

6 A That entry I think at 6:25 p.m., Meese, Cooper,

7 Reynolds, Richardson, met on the 21st and that Cooper provided

8 an update or -- it might mean we gave Cooper and update. I

9 think it would have been the other way around. Probably that

10 is intended to show update from Cooper.

11 Then there is an arrow drawn to another circle

12 which says "6:30 add JRB," who is John Bolton -- "legislative

13 update. Bolton out at 6:35."

14 He popped in and told us what was going on up

15 on the Hill. Then there was another arrow to a circle,

16 "Cooper out at 6:45." Which means Cooper left the meeting

17 at 6:45.

18 Q There is also another arrow saying Bolton, then a

19 star, called NSC. Tell us what that is.

20 A Okay. Well, what it indicates I think it says

21 call NSC Bolton in hearing. I believe there was a question

22 about our ability to get Bolton into the hearing that day.

23 That entry was probably made -- I think the hearings were

24 Friday, so it would have been made early next day, but I am

25 not certain.

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41

1 I recall that there was the need to get the NSC
2 to get Bolton the list of people who could attend the hearing.

3 Q The name Sporkin appears. I assume that is
4 referring to CIA General Counsel Sporkin?

5 A Yes sir.

6 Q Was that one of the names to be interviewed?

7 A I think that is right.

8 Q And then further down there is VP.

9 A Office of OFC.

10 Q And --

11 A Says John Schmidt, with an arrow to McGinnis.

12 Q What does that indicate?

13 A Well, Schmidt is in the Vice President's -- he
14 is the counsel office over there. I am not sure what that
15 means. Probably that ^{ch} Schmidt was to be in touch with McGinnis
16 but I don't recall on what.

17 Q Was there any discussion of the Vice President's
18 office then on the 21st?

19 A I don't recall any. What I tend to think this
20 means is that he was appointed contact who might have done
21 some work on some of the legal questions -- Schmidt -- but I
22 don't recall specifically what that is about.

23 Q What would the connection be of Mr. McGinnis, who
24 I assume is John McGinnis, OLC?

25 A Yes sir. I don't recall. I can only speculate

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42

1 that Schmidt may have worked on some legal question that
2 McGinnis was going to get up to speed on, or maybe Schmidt --
3 at some point, Chuck was trying to get John McGinnis to go
4 over to review some materials at either [REDACTED] I don't
5 know if Schmidt was involved in getting him access to that.
6 I don't have any recollection of that.

7 Q And the other names that appeared -- Shultz, Casey
8 and Weinberger.

9 A Right.

10 Q I assume those would be names of people to
11 interview during the weekend?

12 A Probably.

13 Q Can you tell us why it was that Bill Casey was not
14 interviewed that weekend?

15 A I know the Attorney General did talk to him on
16 Saturday.

17 Q Was that an interview?

18 A I don't know how you would -- how you would phrase
19 it. I was not present.

20 Q Well, to your knowledge, then, was Mr. Casey
21 interviewed that weekend?

22 A I know the Attorney General met with Casey Saturday
23 evening. I don't know how to characterize it, because I am
24 not familiar with the details of the discussion. I would
25 say, yes, he was interviewed and information was, that he was

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43

1 asked some questions about this to add to the information,
2 but I don't know that -- that was my assumption.

3 Q When the Attorney General reported back, did he
4 tell you that he had asked Mr. Casey if he knew there had
5 been a diversion of funds to the contras?

6 A No.

7 Q Did he report back that he had asked Mr. Casey
8 about November '85 Hawk shipments?

9 A I don't recall. I think he would have said some-
10 thing like, Bill doesn't remember this or doesn't think this
11 happened. That is the context in which it might have come
12 up. But I don't remember anything specifically that Casey
13 added or that Meese reported on the Casey meeting. I don't
14 recall knowing that he was going to see Bill Casey on his way
15 home.

16 Q But as far as those two subjects which I mentioned?

17 A No, the diversion I know he didn't say he asked
18 him about that. I would have remember that. The other, I
19 don't recall.

20 Q What I want to know though, is when you are
21 planning out these interviews, we have a very short amount of
22 time in which to do this -- was there a discussion as to Mr.
23 Casey, as to whether or not the Attorney General would just
24 meet with him himself or did you plan on interviewing him at
25 a certain place and time?

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44

1 A Well, as I recall it, something like Meese saying
2 I will see Bill Casey on the way home, so that took care of
3 touching base, interviewing Casey.

4 Q Do you recall when he said that?

5 A No, I don't. I only saw him, I saw him at lunch
6 and probably talked to him on the telephone, but I think,
7 I don't think he was -- well, I can't remember if he was at
8 the department after we finished in Ollie North's office,
9 if I went back to the department and Meese was there. I just
10 don't remember. There is probably a note here somewhere that
11 would refresh my recollection. I don't remember when I
12 learned that.

13 Q When you put Casey's name down on that piece of
14 paper on the 21st of November, was it assumed then that he
15 would be someone who would be interviewed?

16 A Well, I don't recall if Casey is on Meese's list
17 from lunch.

18 Q On Friday?

19 A Yes, that would be the authoritative document,
20 because I don't have any recollection of these notes and they
21 are random notes at the bottom of a piece of paper. It
22 could have just been my thoughts about we need to be sure to
23 touch base with these folks. I just don't have any
24 recollection of that.

25 Q Now, exhibit 4 is simply a list of meetings and

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45

1 chronology. I don't have questions on that.

2 Except one. Towards the end of those documents,
3 referring to a meeting with Michael Ledeen on November 14
4 with the Attorney General. Were you present for that meeting
5 with Mr. Ledeen?

6 A No. I was supposed to be.

7 Q Was Mr. Gerson present at that meeting?

8 A No. Meese had asked me to sit in and the three of
9 us sat down and Ledeen said I would really -- made apologies
10 and said I prefer to talk to you one on one. So I stepped
11 out. They were in there a few minutes, then I came in.
12 Meese told me what the meeting, he said all he wanted to do
13 was say this and he had made and he read to me from entries
14 in a notebook and told me what he had said, which was nothing
15 traumatic, I guess. He said something like he had been
16 involved in the initiative early on, that it was still a
17 viable initiative. That is my recollection of it. Talking
18 about the Iranian initiative.

19 Q Did he explain what being involved meant?

20 A No, I took it in a diplomatic sense. He had been
21 involved in establishing the contacts, but I don't recall
22 any explanation of it.

23 Q Is there any reason Mr. Ledeen wasn't on the list
24 of people to be interviewed?

25 A No. I don't recall any discussion about it.

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46

1 Q Exhibit no. 5, which is one dated the 25th of
2 November '86, you said -- I just have one question -- when
3 the Attorney General tells you, apparently at the bottom,
4 regarding a phone call he got from Prime Minister Peres of
5 Israel, saying that they did ship 500 Tows but Attorney
6 General got it wrong in his press conference regarding the
7 accounts to the contras. Did the Attorney General read this
8 to you from a note or were you present at the phone call, or
9 do you recall how you came to put this information on this
10 piece of paper?

11 A I do not recall. I don't see any references in
12 the note that Meese got it wrong in the press conference,
13 although this may be different from what he understood in
14 the press conference. I guess that is your point.

15 Q I don't have questions on the remaining exhibits.
16 If we can get back to the 21st.

17 (Discussion off the record)

18 BY MS. NAUGHTON:

19 Q Now, after the early afternoon meeting of the
20 21st, what did you do?

21 A The McFarland^e interview was under way?

22 Q Yes.

23 A I don't remember what I did.

24 Q Did you meet later to discuss what Mr. McFarland
25 had said?

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47

1 A This entry in exhibit 2 indicates that we got
2 together about 6:25, Meese, Cooper, Reynolds, Richardson.
3 That is when Bolton popped in for five minutes. McFarland's
4 interview results were probably discussed at that time
5 although I don't have a specific recollection of it now.

6 Q What else was discussed at that 6:25 meeting?

7 A I don't remember anything else particularly about
8 it. I do recall coming out of it with the feeling like I
9 ought to get my own copy of the chronology and try to become
10 familiar with the facts.

11 Q Did you do that?

12 A Yes. I think I took it home Friday night and
13 read it or stayed at the department late and read it. I
14 don't recall which.

15 Q Do you know what it is Mr. Reynolds did on Friday
16 afternoon?

17 A No.

18 Q So, it was not discussed -- please correct me if
19 I am wrong -- on Friday afternoon, about reviewing documents
20 at the National Security Council?

21 A I don't recall it, but as I mentioned, I think
22 Brad Reynolds does recall it, but I just don't.

23 Q Now, on Saturday morning, did you go straight to
24 the Department of Justice?

25 A Yes.

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48

1 Q Do you recall when you arrived?

2 A Yes, it was in the 9:15 range. I rememeber I got
3 there either just before or just after Brad had walked in to
4 Meese's office and Cooper and Meese had just come back from
5 talking with Shultz and Charlie Hill.

6 Q Did they brief you on that interview?

7 A Yes.

8 Q Do you remember what they said about it?

9 A I don't remember in any detail.

10 Q Do you remember if you took notes of that?

11 A No, I don't remember. I doubt I did because Cooper
12 had been in the interview and had taken notes of the actual
13 conversations. So I don't think I did take notes.

14 Q At that point in time, though, after he briefed
15 you on the Shultz interview, did it come clear in your mind'
16 there was a discrepancy between what Mr. Shultz was saying
17 about the November '85 shipment and what Mr. Casey had
18 testified to, or the draft of Casey's testimony?

19 In other words, what I am getting at, Mr. Cooper
20 testified publicly regarding that discrepancy and how his
21 investigation began and so forth. Was that clear in your
22 mind prior to the time of reviewing documents at the NSC?

23 A I don't have a recollection of there being that
24 discrepancy between Casey and Shultz. I do recall that it
25 was unclear what had happened and who had known about it, and

UNCLASSIFIED

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49

1 who had known about it and authorized the '85 shipments, what-
2 ever shipments there were in '85.

3 My recollection was that there was a difference
4 between McFarlan^e and Shultz. I am not myself even now
5 intimately familiar with Casey's testimony then and I don't
6 know if Casey's testimony had been based on this same set of
7 facts that McFarlan^e had put forward. So that the answer to
8 your question might be yes, but I didn't know of it in those
9 terms. I thought the difference was between McFarlan^e's
10 point of view, and Shultz point of view.

11 It was clear to me that what had happened in '85
12 was unclear and who had known about it or endorsed it was
13 unclear. That was the principal area at that point that we
14 were interested in, because of the legal significance of
15 what had happened.

16 Q So you understood that if those shipments were not
17 authorized there may be a violation of the Arms Export Control
18 Act, or perhaps some other law?

19 A Yes. I knew legal, knew legal significance would
20 attach to whether they were authorized or not and that we
21 would have to figure out if there had been a violation or if
22 another set of legal justifications would attach.--
23 Presidential, for example, Presidential authority, independent
24 of the statutes.

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25 But that was obviously a worse case scenario,

UNCLASSIFIED

50

1 because that would posit a violation of one of the statutes.

2 Q What would?

3 A Well, I mean, if one relied exclusively on the
4 President's constitutional authority to conduct foreign
5 policy, for example, that as a justification that was a legal
6 justification that would only, would be a last resort, a
7 last resort, that, in other words, would you rely on the
8 statute first, if the statute had been violated that would
9 put us into a difficult situation. We didn't know if one had
10 been violated or not.

11 Q When you arrived at the --

12 A A caveat. Cooper had the main arrow on that. I
13 was a much more of a listener, note taking and trying to
14 find out what happened, so I am not even now intimately
15 familiar with those statutes.

16 Q When you arrived at the Department of Justice that
17 morning, I gathered at some point the Attorney General told
18 you would be going over to review documents?

19 A Yes sir.

20 Q When he told you that, did he tell you what it
21 was you were to look for?

22 A I believe, yes, I believe yes, I don't recall
23 him, I don't have a specific recollection of him uttering
24 the instructions but I knew when I went over there that our
25 interest was '85, and trying to determine if the U.S.

UNCLASSIFIED

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51

1 Government role in the shipments, whether they were authorized ,
2 acquiesced in, or otherwise known about, and so I had that
3 clear understanding. I don't remember him actually saying
4 this is what you look for, X,Y,Z, but he might have done it.
5 I don't recall.

6 Brad and I rode over together and we probably
7 talked about it in the car as well.

8 Q Did the Attorney General ever discuss with your
9 during this weekend his participation in the '76 finding?

10 A He probably did, but I don't remember specific
11 conversations about it. I do recall looking through his
12 schedules at some point and trying to determine where he was
13 in '86 and what meetings he might have attended of either the
14 National Security Council or the President or Poindexter.

15 Q Well, was this subsequent to January '87 that you
16 did this?

17 A No, I did that over the course of this weekend
18 review.

19 Q You looked?

20 A I looked at January '86 schedules over the course
21 of this November '86 weekend.

22 Q Why was that?

23 A We wanted to see what, to try to determine the
24 answer to the question you posed -- trying to learn if Meese
25 had been at any of these meetings when they occurred, that

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52

1 sort of thing. His recollection needed to be refreshed in
2 terms of precise dates and times. I am pretty sure I did
3 that over the course of this weekend. It is possible I did
4 it on Monday, but I am pretty sure I did it over the weekend.

5 Q Did he discuss with you his knowledge or lack of
6 knowledge of the either August or November '85 shipments?

7 A He did discuss with me his lack of knowledge of
8 the '85 shipments. That is, his lack of knowledge of them
9 at that time and I believe in January. I think he indicated
10 that he learned about them in November of '86.

11 But he clearly, he did, clearly didn't know about
12 them in '85. That was -- I don't remember him uttering the
13 words again, but I have clear recollection that he was
14 unaware. What makes me think I might have done this schedule
15 on Monday as opposed to earlier is because, when North
16 indicated in our interview with him that there was early
17 December meeting and I went back to see if Meese had
18 attended, and he had -- he was out of the country at the time
19 so it well could have been Monday.

20 Q But I guess my question is did the Attorney General
21 say he never learned of the '85 shipments until November
22 '86 or until January '86 when he learned of the Iranian
23 issue?

24 A I have trouble separating out when he told me,
25 because I know he did not, he has told me recently, and I

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1 can't remember how far back dating back to November of '86 --
2 this had been, he had told me this, but he has told me that
3 he did not, does not recall learning about the '85 shipments
4 until November of '86 and that the January '86 was the first
5 time he learned about the initiative, the Iran initiative,
6 which involved these arms shipments and that his knowledge
7 of that in '86 was prospective.

8 Q Did he tell you after Mr. Cooper's testimony?

9 A He did tell me afterward, but he may have also
10 told me that before. I believe he did. I am pretty sure
11 that over the course of this -- I have trouble giving a sort
12 of photo snapshot in time back to November of '86 and
13 remembering certain things like this when I learned them,
14 at what time, but I feel pretty sure over the course of that
15 four or five day period, Meese was operating in the dark, as
16 if we had no personal knowledge of the '85 shipments that
17 was clear to us.

18 I don't know when he told me that but --

19 Q Let's go from that angle. An important question
20 is whether or not the '85 shipments were authorized?

21 A Yes.

22 Q Correct?

23 A Yes.

24 Q As a matter of usual course, the Attorney General
25 would review findings, for instance?

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1 A That is not -- he reviews some findings, he does
2 not review all findings.

3 Q Which ones has he not reviewed?

4 A Well, I don't know. The ones we don't see we are
5 not sure about.

6 Q Exactly how would you know he doesn't see very
7 finding?

8 A We made an inquiry recently of our office. When
9 he reviews a finding normally it would come from NSC to our
✓ 10 Office of Intelligence Policy and review, who would review
11 it for its legality and kick it down to the Attorney General
12 with a memo.

13 Now, that was done with considerable frequency
14 under Attorney General Smith, and I had a discussion with
15 Mary ^{Laaton} Laughton, head of that office. The numbers of
16 findings dropped off under Meese and there are, she recalled
17 one specifically, and there may have been more, findings
18 that we found out about after they had been signed by the
19 President and we did not have advance clearance on.

20 That is conceivable that there are, that a finding
21 is discussed at an NSC meeting and therefore, ^{Laaton's} Laughton's
22 office would not be involved, but there is not a process in
23 place for the Attorney General to review every Presidential
24 finding.

25 That is my understanding of it. We try to, but

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1 we don't find out about them all the time.

2 Q And the basis for your statement that you just
3 made is based on conversations with ^{Ms} ~~Mrs.~~ Mary ^{Laughton} ~~Laughton~~?

4 A Yes.

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X 1 Q Is it based on any research with either the NSC or
AS-1 2 the CIA?

3 A Yes, with the NSC.

4 Q With whom did you speak at the NSC?

5 A I have staffed that to one of my staff members,
6 Ann ~~Rondeau~~ ^{Rondeau}, who when we have got -- I got two memos, one
7 indicating the numbers of -- the findings have been signed
8 by the President from the NSC, and another memo from
9 Mary Lawton, a list that indicates departmental review
10 or advice on findings and I compared the two and not all of
11 things signed by the President were reviewed by the
12 Department and there is at least one that has specifically
13 been in our area, an area of departmental responsibilities
14 we found out about some months after the fact.

15 Q Did you discuss this one with the Attorney General?

16 A That one finding?

17 Q Yes.

18 A I don't recall, he probably -- he was probably
19 briefed on it, probably Ann Rondeau or Mary Lawton may
20 have seen it done after we learned about it. I don't have
21 a specific recollection of that.

22 Q I guess what I am getting at is, what you are
23 telling us is there is one finding that you know about from
24 the list given you at NSC.

25 A Yes.

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CAS-2 1 Q That did not go through the Department of Justice
2 procedure for reviewing findings, correct?

3 A Actually, well, no. There is more than one that did
4 not, but what I am referring to is there is one that we know
5 we missed because we know we missed it, that is, they told
6 us after it was signed, they sent us a copy. There are
7 others of these that we have not received a copy of, but
8 were signed by the President.

9 Lawton's list would show me things she got a copy of,
10 but didn't know about in advance. The NSC list shows
11 everything signed. There is some on NSC list that aren't on
12 hers.

13 Q Do you recall how many more on NSC than on her
14 list?

15 A No, let me think here. Well, I did gross numbers,
16 and I assume that I can reveal these numbers -- but, there
17 were, as I recall, from the NSC list, there are a total of
18 [REDACTED] findings since 1981 and I don't remember how these numbers
19 divide, but I believe [REDACTED] were not reviewed by the
20 Department and [REDACTED] were. This is 1981 through 1987.
21 There were a substantial number, in the half a dozen range,
22 in early 1981 which were not reviewed that may have
23 pre-dated Smith's getting in place. One of these findings
24 which I count amongst those that department review was the
25 January 17, 1986 finding on Iran. That did not show up

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75 58

1 in Mary's record. I don't know if a finding at NSPG or NSC
2 meeting was passed around which the Attorney General would
3 have seen then.

4 Q That is what I am getting at.

5 A I don't know those numbers.

6 Q Sixteen went through Lawton's office, you don't
7 know how many actually were reviewed by the Attorney General.

8 A That is right. But, I guess the point I am
9 trying to make is there is no -- there was a tug of war, so
10 to speak, when Smith was Attorney General, with the NSC
11 feeling like Justice need not review every finding and the
12 Attorney General feeling like he did and towards -- Mary
13 tells me toward the end of Smith's tenure NSC was beginning
14 to feel like they didn't need to and that Smith -- she
15 told Smith about it and she thinks Smith didn't get into that
16 fight again since he was on the way out and I don't think
17 that right now there is, when I asked Mary this question,
18 do we see every finding, she said, well, we are supposed to,
19 but there is not a process in place by which, for example,
20 there is a concurrence block cover sheet on the findings and
21 Justice has to sign off.

22 But you are right in indicating that there may --
23 it is conceivable that there are other findings in the
24 January 17 category that Meese may have seen. She said
25 that, for example, on occasion Casey or someone would come over

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-4 1 and brief Smith orally on a finding and discuss it rather
2 than send it over and she would normally know about that.
3 So that number I haven't been able to determine.

4 I am aware of North's testimony that the Attorney
5 General reviews every finding so, in fact, that has caused me
6 to determine if that is true.

7 Q Are you saying Colonel North isn't totally
8 accurate?

9 A Well, I think his perception was probably that
10 that was done.

11 Q I guess we were on November 22 in the morning,
12 Saturday morning.

13 A Yes.

14 Q That was a major diversion there. The wrong word,
15 but we needed to cover that anyway.

16 A That is right.

17 I don't know if it is of interest; when a finding
18 comes over, Lawton reviews it for legality, she sends a
19 memo down, it would come to me. I would review it, ask
20 one of our lawyers to review it, walk it into Meese and
21 I recall in the last year-and-a-half since I have been in
22 this position of pushing paper, two or three, two probable
23 findings that were handled in that way. So, the volume
24 of business that we do in that formal process is small.
25 So I think the numbers of findings that have been signed

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1 in the last couple of years has declined, as well.

2 Q To your recollection, were any rejected by the
3 Department of Justice or opposed?

4 A I think they were. Well, Mary Lawton's notes
5 indicate there are notations such as "advised that a new
6 finding would be necessary", or "revision to a previous
7 finding would be necessary", or that a finding is "premature".
8 I gather because the activity is too far away or that this
9 is insufficient, something like that. So, but, it is
10 difficult to tell if the same thing was -- if more
11 information was gathered and it was later put in place, I
12 don't have this kind of detailed analysis of them.

13 Q Once that goes forward from the Department, then
14 do you receive a corrected or amended copy of the finding?

15 A I don't -- well, I am sure we don't always because
16 Mary had indicated to me and she is my source of information
17 on this, I don't think that NSC, I don't think we have
18 copies of the findings because my recollection of my
19 conversation with Mary is that they don't, NSC does not feel
20 comfortable about having copies of findings outside of
21 their files.

22 We have got Meese, her cover memo to Meese, I
23 recall one specifically more in the last year where he
24 wrote "concur" and initialed on her cover memo which she
25 retained but I don't think she retained the finding.

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1 Q You don't necessarily know if your advice is
2 heeded?

3 A That is correct. Although, Mary may have back
4 and forth with either the CIA general counsel, for example,
5 on or NSC. Just not aware of it.

6 Q Back to Saturday morning. Do you have, aside
7 from trying to focus on the 1985 shipments, did you have
8 any other discussions as to what document you would be
9 looking for.

10 A I don't think so. My basic tasking from Meese
11 was to look through everything that they have got on the
12 Iranian initiative and see what you can piece together and
13 see what you find.

14 Q When did you know that Oliver North was the
15 action officer on the Iran initiative? In other words,
16 prior to this were you aware that his were the files to
17 search and that he would have the most information?

18 A I am sure I was before I went to the White House.

19 Q Did you know you would be conducting a
20 document review in his office?

21 A I probably -- I don't know -- I assumed that the
22 documents were -- I assumed -- I guess I knew that he had most
23 of the documents or at least a substantial volume of documents
24 that we would review.

25 I also, before I got there, I figured that we would not

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S-7 1 be sitting in Poindexter's office doing this. It is just --
2 Meese used to have that suite of offices, I know they are
3 two very small offices, the secretary's and Poindexter, with
4 a conference table and I assumed we would not be in there, so
5 I guess I figured we would be probably somewhere in North's
6 office.

7 Q Could you tell us then who made the arrangement
8 for you to actually go to the White House.

9 A As I recall, Cooper. Well, there was a discussion
10 that Brad and I would go to the White House to review
11 documents. Cooper called Paul Thompson, told him
12 Brad Reynolds and I would be coming over, then handed me
13 the phone to talk to Thompson to make arrangements and I
✓ 14 gave Thompson our names and I probably got our dates of ~~X~~
15 birth and I don't remember if I parked in the White House,
16 I may have given him my license plate number, then told him
17 where we would meet and we went to the West Wing and met
18 Thompson and then he -- well, with that phone call
19 completed, we got in the car, went on over, went up to the
20 West Wing, met Thompson, he walked us over to North's office
21 in the EOB.

22 Q Thompson met you in the West Wing?

23 A Yes. There is a West Wing basement office, which
24 is where I went and asked for Thompson and he came down.
25 I don't recall whether he walked us up to his office first

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1 or not, but I don't think so, I think we headed straight on
2 over.

3 Q Had you met Mr. Thompson before?

4 A I don't think I had. Although it is possible I had
5 seen him before when I worked in the White House, but I
6 don't think I had met him.

7 Q Had you met Oliver North before?

8 A I don't think I had, no.

9 Q Perhaps we put in the note already. Do either
10 you or Mr. Reynolds drive a Mercedes?

11 A That is Reynolds.

12 Q License number then and birthday?

13 A Yes, sir.

14 Q And that is what was given to Mr. Thompson to
15 gain admittance to the White House?

16 A I think that was given in for admittance on Sunday
17 morning because my recollection is I drove my car over
18 to the White House Saturday and Brad ^{Yodel} Road with me and
19 Sunday morning we met at the White House, but anyway, that is
20 correct, that is information I got to get him cleared in.

21 Q Now, when you got to Colonel North's office, were
22 the documents laid out or did you have to retrieve them from
23 shelves and so forth?

24 A My recollection is that when we got there Earl was
25 there, a number of file drawers were open, ajar, several

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CAS-9 1 inches, I don't recall the documents being out on the table,
2 although I am aware of statements that they were, but I
3 don't recall them being out on the table. We explained what
4 we were interested in.

5 Earl said, well, these are the terrorism files, these are
6 all this and that, and he was pointing at the various file
7 drawers.

8 We said we want the files on the Iran initiative.
9 Thompson was still there and, as I recall, Earl went
10 behind North's desk and North's desk was in the rather
11 corner of his office facing out and there was sort of
12 an L-shaped along the left, there appeared to be book
13 shelves and seemed to be a book shelf on the left and he
14 went under there and got out a number of what I called
15 "read well" folders, but sort of fiber-board, dark red
16 folders and laid them out on the conference table. We had a
17 brief conversation.

18 Q Excuse me, Mr. Earl went like around
19 Colonel North's desk?

20 A Yes.

21 Q This would have been in the area of where
22 Colonel North would be seated if he were at his desk?

23 A Yes.

24 Q Please continue.

25 A And Earl did that. Brad and I primarily talked

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-10 1 with Thompson but Brad had a conversation with Thompson,
 2 I chimed in here and there, indicating what, reiterating
 3 what documents we wanted to see -- we had already said
 4 everything on the initiative in Ollie's possession that
 5 what Earl was tasked to provide. We also asked him for
 6 anything that Poindexter had in Poindexter's or Thompson's
 7 files.

8 Thompson responded that they really didn't have
 9 anything, that when they had documents, reviewed documents
 10 like this, they would send them back to the originating
 11 office.

12 We asked that McFarlane's materials be produced
 13 Thompson said that there really wasn't much
 14 McFarlane material left, there may be one box, but he
 15 didn't think there was anything in there responsive; we
 16 asked him to check and make sure.

17 We asked him also to make sure he didn't have
 18 anything on this subject -- and then I can't -- I don't recall
 19 if we asked him to run a search through their formal
 20 executive secretary system, I don't recall that. He might
 21 have indicated that would not be a real source of information
 22 because of the compartmentalized nature of the thing, I
 23 don't remember.

24 Q Could you describe to us the System 4?

25 A I don't think so.

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AS-11 1 Q Document collection system?

2 A I don't think so.

3 Q If I can skip ahead one minute, I know you
4 went to the White House Tuesday morning, did you learn
5 about the System 4 at that time?

6 A No, I knew from my previous tour there, I had
7 seen documents that said System 1, 2, 3 and 4. To this day,
8 I don't know what a System 4 document is.

9 Q So, Mr. Thompson might have said something like
10 it wouldn't be helpful to go through.

11 A Yes, he may have. For some reason, I was left
12 under the impression that the main -- the formal
13 computerized filing system would not be a source of -- real
14 source of information and I don't know, if the extent to
15 which that was discussed or he said everything in this would
16 be in Ollie's files, it could have been that kind of
17 discussion.

18 But that does not -- my reaction is that doesn't
19 stand out as a source of documents that we were
20 expecting to receive. It may have been just that he may
21 have indicated that everything in Ollie's files would be the
22 system, whatever is in the system would be a subset of that.

23 Q Did you ask Mr. Thompson to see a finding?

24 A I don't think so. I don't think so. I don't
25 recall that.

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Q Did you see a finding?

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A Well, I know I saw a finding on Tuesday. I

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don't think I saw a finding in Ollie North's files

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although Brad may have, but I don't think I did. I don't

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recall one. Let me put it that way.

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Q I have in my notes of your interview with us on

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April 15 of 1987, that you recalled Mr. Thompson producing

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the January 6 finding which has some notes in blue ink on it.

9

A Yes, that happened Tuesday morning. I don't

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want to jump out of sequence. On Tuesday morning when we were

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at the White House, Meese asked me to make sure that a

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system-wide search was conducted to make certain that no

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document containing the diversion had gone forward to the

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President in any form. And when I went in to Thompson's

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office to ask for that, there were several folders of

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material on his desk. I said, are these files on this, and

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he said yes.

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I said I would like to go through those, I said.

19

He said, fine. It was in there, I saw that finding.

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Q Now I am confused.

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A It surprised me, too, because he had said they


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didn't keep them. That struck me as odd, although not

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being -- I just have a nodding -- I am not an intelligence

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professional, although I have done  work for that for two

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years now, it seemed unlikely, but possible, that North,

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AS-13 1 if he were reporting directly to Poindexter on this
2 initiative, that North was holding the file that
3 normally would be held by someone in Thompson's position
4 because I have been a staff officer for a while and normally
5 Meese, for example, normally has a working file of
6 active items that he has a couple of things that are at his
7 fingertips that would normally be kept by his personal
8 secretary or by me and that is why we had asked for that
9 material, but he indicated that they didn't have anything
10 of that nature, so I thought it was possible that North
11 had served that function and that Thompson just did not
12 retain paper.

13 Thompson's office was very small.

14 Q If we can stay on the same subject, we will have to
15 skip a little bit, but, Mr. Sporkin was interviewed sometime
16 on Saturday.

17 A I think that is right.

18 Q Do you remember if it was morning or afternoon?

19 A I don't recall. I don't recall. Might have been
20 late morning. I was not present and Meese and Cooper did
21 that.

22 Q At any rate, Mr. Sporkin did mention there was a
23 November 1985 finding, correct, that is your understanding
24 of the interview.

25 A I think that -- I guess that is right. I don't

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4S-14 1 recall that specifically.

2 Q I guess my question is, when you returned to the
3 White House on Sunday morning to complete your document
4 review, did you ask anybody there to see that finding?

5 A I don't think so, no. The only person there
6 Sunday was a young fellow who had been in Ollie's office for
7 been in his employ for six weeks or so. I don't recall.

8 Q Jock somebody?

9 A Yes, a red-headed guy.

10 Q Do you recall asking Commander Thompson at any
11 point to produce, or if there was a November or December
12 1985 finding?

13 A No, I don't think I did.

14 Q Did he volunteer that there was one?

15 A No. The first, my first reaction of their
16 being such a finding was from the North interview. I may
17 have heard it mentioned or referred to Saturday or Sunday
18 before that, but I recall it from the North interview.

19 Q Do you recall whether Colonel North told you
20 that that finding had been destroyed by Admiral Poindexter?

21 A He did not say that. I recall that he did not
22 say that.

23 Q And did Commander Thompson tell you that that
24 finding had been destroyed by Admiral Poindexter?

25 A He did not say.

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AS-15 1 Q Did Admiral Poindexter ever tell you or, to your
2 knowledge, the Attorney General that he had destroyed that
3 December 1985 finding?

4 A No.

5 Q Did Commander Thompson then leave you alone with
6 Mr. Reynolds to review the documents, this is Saturday
7 morning the 22nd.

8 A Thompson left, Earl remained, and I am trying to
9 recall, because I tend to think that Earl was at North's
10 desk for a part of the time and if not the whole time. He
11 might have gone upstairs to his desk. I don't recall. I
12 wrote Brad a note or two while we were sitting at a table
13 because he was in the room and North was in the room when
14 we were there, of course.

15 Q Why did you write the note?

16 A Well, I just didn't want to mention anything that
17 would be overheard.

18 Q Why not?

19 A One of the notes, I would have to see them, one
20 of the notes concerned Brad's suggestion that we might want
21 to just take all of these documents back to the Department
22 and go through them and I wrote him a note back saying that
23 is probably not a good idea.

24 I just didn't follow there was any need for them to
25 know the contents of our discussions. Also, didn't want

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JAS-16 1 to begin a conversation with North or Earl. As far as I was
2 concerned, I was there to do documents and the interviewing
3 was to be done by Meese.

4 Q Well, Mr. McGinnis went to the CIA to conduct
5 interviews, correct?

6 A I know that to be the case now. I don't know when
7 I knew that. I knew I was not there to interview anybody
8 at the NSC.

9 Q I am going to ask that this be marked as the next
10 exhibit in order.

11 (Exhibit No. 8 was marked for identification.)

12 BY MS. NAUGHTON:

13 Q I am showing you what has been marked as Exhibit
14 number 8. I gather that these are notes that you took while
15 reviewing the documents on Saturday at the NSC; is that
16 correct?

17 A Yes. Let me flip through here.

18 Q Directing your attention to the last two pages
19 that you are looking at, are those the notes that you wrote?

20 A Yes.

21 Q To and from Mr. Reynolds?

22 A Yes, sir. They are the second and third pages
23 from the end. This one, the last page, I am not really --
24 I guess this looks like the last page, looks like notes I
25 took over there on Sunday, but I am not certain about it.

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AS-17 1 Q Could you please read those two brief notes into
2 the record and tell us which is "to" and which is "from"?

3 A Okay. The first note, it is the third page from
4 the end, "are we going possibly to be open to attack if we
5 take custody out of NSC of these documents? E.g., if
6 anything, should turn out to be missing?"

7 Q And "should" is underlined.

8 A Yes.

9 Q Is that your note, Tom?

10 A That is my note to Reynolds.

11 Q What was his response?

12 A I think he shrugged, I think he just shrugged and
13 agreed that we wouldn't take -- he had suggested it would be
14 easier to if he just took all this over to Justice and I --
15 this was a large volume of material and I was not comfortable
16 taking them out of the office where they were produced
17 because if we had misplaced a document or something like that
18 and it turned out to be an important one, we would, just
19 having gone through the move, I was worried about our
20 being subject to criticism for there being a missing
21 document.

22 Q And the next?

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23 A This did not contemplate in my mind that documents
24 were being destroyed. It was in the other direction. I
25 didn't know if everything had been produced to us, that is

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what that was about. The next one? This is the second

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page from the end, "we could use night to catch up with Chuck

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and I can come here early in a.m. to finish this. Then meet

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you guys later in the day."

end 2X

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Q Now, the first note that you passed to him, was that in the morning?

A This was probably pre-lunch, yes. And the second note was probably after lunch when Ollie was in the office.

Q So, when Mr. Reynolds found the famous diversion memo, for lack of any other name for it, that was prior to Colonel North coming to the office, is that correct?

A Yes. I think it was after this note but I believe this note about taking custody of the documents was pretty early in the search.

Q Could you tell us what you recall about that event, that is.

A The diversion memo?

Q Yes.

A He either kicked me under the table or something and we were sitting across from each other about the same distance you and I are now, just a foot or two, and he passed it over, directed me to at the top paragraph and had an expression of this was a surprising entry. So I read it and I gave a similar look back and I think I probably said something like that didn't happen or something along those lines, that's hard to believe that had happened and passed it back to him and then that was it, we did not discuss it at the time and I don't think Earl

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1 noticed anything particular about it. Every once in a
2 while I was going through some documents I would point
3 out something to him, that sort of thing.

4 But that was clearly the most interesting document
5 we had seen. I should add my statement was based partly
6 on the fact on page 1 of the document there was a handwritten
7 correction and that sort of thing. My first impression
8 was this is too spectacular to think it happened and there
9 is no reason to believe this is a final document so that sort
10 of incredulity was my reaction.

11 Q Do you recall if you had seen any other versions
12 of that?

13 A I did not. That referred to the contra
14 diversion?

15 Q No, any other version of that, version of that
16 memo.

17 A There were other memos that discussed the initia-
18 tive but I don't recall anything that looked like a version
19 of that.

20 Q Do you recall any other memos that mentioned
21 diversion?

22 A No.

23 Q Do you happen to know where that memo was in
24 terms of the other documents around it, in what file?

25 A No; Brad found it and I just don't know. I think

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5A

m3

1 it was in '86 material because before lunch Earl had
2 not produced '85 files and in fact when we were leaving
3 we passed North in the hall and we told him that there
4 weren't any '85 files, he expressed surprise and said I
5 will get them out for you. So it was in '86 material
6 but I don't remember which files.

7 Q Do you recall when you were first shown the
8 material by Commander Thompson? Do you recall any files
9 in North's office regarding the Nicaragua resistance or
10 Central America?

11 A I did not see any. I don't recall -- it's
12 conceivable that Earl said these are all the files having
13 to do with the freedom fighters but I don't recall that.
14 He did say these are terrorist files, this is a hostage
15 file. We said we want everything on the Iranian initiative
16 and because they pulled open one drawer and said these
17 are all the reports from the hostage [REDACTED], and that
18 had to deal with where they were and we said we weren't
19 interested in that. I don't think we discussed or saw
20 any files concerning that.

21 (Short recess.)

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22 BY MS. NAUGHTON:

23 Q Okay, back on the record.

24 Do you recall how soon it was after the
25 diversion memo was found that you folks broke and went to

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m4

1 lunch?

2 A No. I don't remember precisely. I think there
3 was a substantial period of time after it was found before
4 we went to lunch.

5 Q Do you recall about what time you went to
6 lunch?

7 A Just from the note that I saw a minute ago, it
8 was Exhibit 2, which indicated 1:45 to 3:15. I do recall
9 it a late lunch, this wasn't noontime.

10 Q Could you tell, describe for us of the documents
11 that you wanted set aside or copies or somehow preserved,
12 for you, could you tell us how you did that procedure,
13 how you work that out?

14 A Well, as I recall, Brad was, I may have done this,
15 too, but I know he was using paperclips to mark them. I
16 tended to think I took over with me, but I may not, I may
17 have been using paperclips, I tend to use those yellow
18 stickums, they were marked one way or the other.

19 Q Were they put in a separate pile?

20 A I am not sure.

21 Q At any rate?

22 A This may have been turned sideways in the same
23 pile they were somehow delineated.

24 Q The ones that you wanted to copy?

25 A Yes, sir.

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Q Was this done, do you know, with the diversion memo?

2

3

A I din't know. I am not sure what Brad did with it.

4

5

Q Were any documents copied for you before you left for lunch?

6

7

A No.

8

Q But I gather you had set aside some documents for copying by them.

9

10

A Well, yes, we had marked some documents as being ones we wanted to keep with us, take with us copies.

11

12

Q And when you left was Colonel Earl still there?

13

A Yes, sir.

14

Q Do you recall that morning what discussion you had with Colonel Earl, if any? I know you said you didn't want to interview him. Did he make any comment?

15

16

A I don't think he made any comments. He may have said something like let me know if I can get you anything or be of assistance, but that was, other than I think he indicated pointed out which documents were in which files and produced the things behind North's desk, that is it.

22

23

Q Did he participate in any conversations on the telephone or otherwise in your presence that you overheard?

24

25

A I don't think so. I don't recall any.

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AS-1 1 He did have a conversation with Thompson.

2B 2 Thompson asked him if he knew where Ollie was and Earl
3 said I have been trying to reach him, but I think he is
4 due in soon, or something like that.

5 Other than that, I don't recall any conversation
6 and I don't recall him taking any phone calls.
7 Mr. Thompson came in later in the morning asking for
8 Colonel Earl, that was when we arrived. I missed that earlier.

9 Q Do you know whether or not Commander Thompson
10 left after escorting you to Colonel North's office.

11 A He left North's office, I don't know what he did.

12 Q Did you see him later that day?

13 A I don't remember. I don't recall seeing him
14 again that day, or Sunday, for that matter, but I may have.

15 Q This is Thompson?

16 A Yes, Thompson.

17 Q What about Craig Coy, was he around that weekend?

18 A No.

19 Q What about Admiral Poindexter? I gather you didn't
20 see him.

21 A No, I didn't see him. I got the impression --
22 well, no, in fact, I guess it is more impression, North
23 talked to Poindexter. That is the impression I got when
24 North was there.

25 Q That was in the afternoon?

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AS-2

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A Yes.

2

Q Do you recall what he said to Poindexter?

3

A I don't think so. Let me see. I made a couple of notes at the bottom of one of these. No. I am not sure, my recollection is after that North had a conversation with -- he had a conversation with an Israeli. I think he then had a conversation with Poindexter. I don't recall.

8

I think he called over and said, is he still there or something like that. Then he talked to someone. I gathered it was Poindexter, but I don't know if he said that was Poindexter.

12

Q When you and Mr. Reynolds left for lunch, did you tell Colonel Earl you were going to lunch?

14

A Yes.

15

Q Did you tell him you were going outside the White House complex?

17

A Probably. Meese had called and said he wanted us to meet him at Old Ebbitt. I probably told Brad that in Earl's presence. We may have said we will be back in about an hour or something like that. I don't recall. You can't eat in the White House, there are some machines in the basement of EOB, but you can't eat in the White House mess unless you are a member. I think he would have known that we were not going to eat in the White House.

25

Q Was Alton Keel at the NSC on Saturday?

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AS-3

1 A I don't know.

2 Q And did Colonel Earl mention what his lunch plans
3 were?

4 A No. I don't think so.

5 Q As I gather, as you were leaving to go to lunch,
6 you met Colonel North; is that correct?

7 A Yes.

8 Q And how did you know it was Colonel North?

9 A I don't know. I guess Brad and I came out of his
10 office and we had walked probably five steps and I believe
11 he said something like where are you guys going or
12 something like that as a greeting and I don't know if
13 Brad had met him before, but I had not, and introduced
14 myself.15 I think Brad introduced himself, too, now that I
16 think about it.17 Q Then my question, how did you know that was
18 Colonel North?19 A I guess he assumed that the two guys leaving his
20 office were the Justice guys and he introduced himself, as
21 I recall.

22 Q Did you tell him you were going to lunch?

23 A Probably did. He said where are you guys going,
24 have I missed it, or something like that, and we said, we
25 probably said we were going out and have a bite of lunch,**UNCLASSIFIED**

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64

1S-4 1 then we would be back shortly.

2 I don't remember precisely.

3 Q Did he volunteer at that time to be interviewed?

4 A No, that was later.

5 Q Was there anything else said in that brief meeting?

6 A Brad told him, yes, Brad told him we had not seen
7 the 1985 material and that we wanted to see that when we got
8 back from lunch. What we were looking at was 1986 material.

9 Q What did North say?

10 A He said something like, oh, that should have been
11 in what you were given. I will be sure that you have got it
12 or I will find it, something to that effect.

13 Q Was that produced by the time you came back?

14 A Yes. I don't remember if it was on the table or
15 if he -- I think it was -- he had pulled it out and he said
16 this is the 1985 stuff.

17 Q Along those lines, in your document review of
18 1986 materials, you saw what we know now as PROF notes;
19 is that correct?

20 A I don't know. I may have. Now, I don't think
21 since the name PROF note had been attached, I don't think
22 I have gone back and looked at one.

23 Q Do you know whether or not either you or Mr.
24 Reynolds discussed with Colonel North whether he had PROF
25 notes from 1985.

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1 A I don't think so. I don't recall any such
2 discussion.

3 Q Can you tell us what happened when you got to
4 Old Ebbitt?

5 A Well, Meese and Cooper were already there, as I
6 recall. They seated us shortly, and I think Meese began
7 by saying, all right, let's see where we stand and he and
8 Cooper reported on what they had been doing and I don't
9 remember independently what it was. Let me see if this --
10 I don't have an entry on my notes on Exhibit 2. But it may
11 have been the Sporkin interview that may have been after
12 lunch, I don't know, but they reviewed the state of
13 knowledge based on what they had learned and he said, well,
14 have you guys learned anything new, and I think we -- I
15 told him I had been looking through [REDACTED] told him
16 one of two things that seemed to be of interest from those
17 and Brad did the same thing, and Brad said, oh, we found
18 another document which seems to indicate that funds might have
19 gone from this transaction to the contras, and I mean
20 Meese expressed great surprise. He visibly said something
21 like, oh, a curse word, and sort of squinted his eyes and that
22 sort of thing, and we said something like we haven't found --
23 Brad indicated we haven't found anything else to indicate
24 that happened, and Meese said, be sure you bring a copy of
25 that out when you come, and we said, we are marking things

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1S-6 1 to copy, and I think that was it on that front.

2 Cooper may have said, there may have been
3 comment like if this happened, we have got a major problem,
4 but that was sort of obvious. But it was very, very much --
5 the context of the information was very much incredible
6 prospect and clearly uncertain whether this had occurred
7 or not.

8 Q Was it discussed, the fact that Oliver North
9 himself had the Central America account? Did you put
10 those two things together?

11 A No, I don't think so. I don't recall that, but I
12 don't think it was.

13 Although I am sure -- I may have known that and
14 the AG, I guess, he would have known that. I think I may have
15 known that because of when these matters have come up before,
16 Ray Duon, our staff who handles that sort of thing might
17 have said Ollie North handled this business.

18 So it may have been just a piece of knowledge that
19 we had, it wasn't openly discussed.

20 Q Now, just for the record, so we get a couple
21 things straight, I gather at that luncheon you did not have
22 copies of the memo with you.

23 A That is correct.

24 Q What else did you discuss after mentioning the
25 diversion memo and what you just related, what other subjects

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1 were discussed.

2 A Well, I think that the major things of interest
3 still focused on what was going on in 1985 and who did what,
4 whether this was authorized, et cetera. I don't remember
5 with any specificity what the contents of that discussion
6 was, but I recall that we, the diversion discussion, was
7 about what I have recounted, the basic information and there
8 may have been some statement that this will be a --
9 this obviously is a major problem, if this has happened,
10 we need to find out if it has happened. There may have been
11 a mention that we -- North would be interviewed -- at the
12 bottom of this in the North interviews, something like that.
13 That was it on the diversion business and the rest was
14 spent talking about the arms initiatives and Chuck, for
15 example, he might have -- there were other things going on
16 like McGinnis having gone through [REDACTED] and I
17 don't know if he was at CIA that day, but Chuck having some
18 point -- Chuck and Meese, I think, split up and did
19 some different things. So I am not sure what was
20 precisely we talked about, but it was other things.

21 Q How did you know that North had authored the
22 diversion memo?

23 A We didn't.

24 Q Why did you feel you should interview him?

25 A He was going to be interviewed anyway. This was

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68

1 found in his files and so the most likely person to have
2 knowledge about it was him out of the pool we had identified
3 thus far.

4 Q Was there a discussion at this point that
5 Poindexter should be interviewed?

6 A I don't recall that.

7 Q How about whether Casey should be interviewed?

8 A I don't recall there being a discussion about
9 adding anyone to the list or subtracting anyone from the
10 list or targetting the interviewing any differently other
11 than our having a clear understanding that this would be
12 something to question North about.

13 Q Was it decided whether to question anyone else
14 about it?

15 A It wasn't discussed in that context. We didn't
16 say, okay, now about the diversion, who do we question. It
17 was something found in a document that might or might not
18 have happened, next step to finding it out, get a copy of
19 it and ask North about it in his interview the next day. That
20 is as far as it went in terms of that point.

21 Q Was it discussed whether it shouldn't be mentioned
22 to people who were going to be interviewed?

23 A No, I don't think so. I mean, it was clear that
24 we weren't going to say anything about any of this to anybody
25 outside of our group of four. I don't recall that being

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1 reiterated, but that was a very -- that was very clearly
2 understood. Meese might have reiterated it. I know at the
3 beginning of the weekend, it was made clear that -- we,
4 three of us, were going to work in support of Meese's
5 fact-finding inquiry, we were to talk to each other and
6 obviously -- I mean the potential significance of this
7 bit of information was not lost as a major development in
8 this fact-finding question.

9 Primarily for -- at this point it was a factual
10 bomb shell and whether it could possibly have occurred or not,
11 these are obviously to the President's two major and
12 independently controversial initiatives and so that was not
13 lost on anyone, there was no substantive discussion of it
14 at this point because we didn't know if this was just a plan
15 or a possible way to go or if it actually happened.

16 As just in percentage of conversation at lunch, this
17 was a small percentage, five minutes or less. Probably
18 five minutes. It grew in time over the course of the
19 next several days.

end 2B

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Bob Thomas

K-1

1 Q When you went back then to the NSC, was North in
2 his office?

3 A I think he was, yes, I think he was.

4 Q That would be at what, 3:00 probably, in the 3:30
5 range, 3:15 you said.

6 A That is probably right, when we probably left lunch
7 at 3:15. It was in that neighborhood there.

8 Q Did Colonel North mention to you where or with whom
9 he had had lunch?

10 A No.

11 Q When you did get back to the NSC, did you know
12 whether or not any of the documents that you had set aside for
13 copying had been disturbed in any way?

14 A No, everything, everything looked as we had left it.

15 Q One more question about the lunch, was it discussed
16 at lunch or even generally on the way over to the NSC that
17 something should be done to secure the documents?

18 A Well, we discussed getting copies of the documents.

19 Q But was there any discussion of securing them?

20 A Any what--

21 Q Being sure they weren't destroyed.

22 A No. There was no reason to believe that they would
23 be or that they had been for that matter.

24 Q Was Colonel North at his desk when you returned?

25 A Well you have to be,--to get into that office you

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LK-2

1 have to be let in because there is a vault on the door. He,
2 as I recall, I think he let us in. We rang the visitor's but-
3 ton and he went to his desk and we went to the conference
4 table.

5 Q I trust that you began to up your interview of docu-
6 ments?

7 A Yes. Earl was still there by the way. We asked
8 him, we told him we wanted to make copies of some of the
9 documents. He said fine. He said, do you know which ones?
10 Do you have some you know you want right now? We'll help
11 copy them. Yes, these we know we want. He and Earl helped
12 copy what we had up to that point. When that was done--

13 Q Colonel North and Colonel Earl helped you?

14 A Yes, that is my recollection. Then after we had
15 copied that group, I took over all the xeroxing from that
16 point on. Earl left at some point fairly soon thereafter and
17 North took a portion back behind his desk.

18 A So do you recall was it you or who copied the diver-
19 sion memo or would it have been Earl and North?

20 A I don't recall who copied it.

21 Q Well, did they copy everything that you had set
22 aside that morning?

23 A I think so. What I don't know if Brad held out the
24 diversion memo and then gave that to me to copy. I don't
25 recall when, who actually copied that memo.

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22

-3

1 Q Now, I had one question of your notes here of the
2 documents that you had reviewed. You reference As underlined.
3 Is that a person?

4 A I think it looks like it is, yes. In entry number
5 1, there is the word beginning with capital A and then the
6 rest of it is blacked out, and K, and the rest of that is
7 blacked out. So, I probably was using the initials not want-
8 ing to write down the names because there seems to be, there
9 is an aside and a quote, it is probably some individual.
10 These are, I think, notes [REDACTED]

11 Q Do you recall who that could have been?

12 A No, if I looked at [REDACTED] I could tell you
13 but--does the name [REDACTED] ring a bell? That sticks in my
14 mind for some reason. I don't know who it was. It was some-
15 one in [REDACTED]

16 Q Okay.

17 A I gather there was a [REDACTED] person too, but I don't know.
18 After awhile I stopped taking notes on each document because
19 it became too time-consuming.

20 Q Now, if we could sort of take the rest of your docu-
21 ments and review a couple. I gather you didn't come across
22 any other documents mentioning diversion of the monies to the
23 contras?

24 A That is right.

25 Q Did you find any document which indicated that the

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STV-4

1 November 1985 Hawk shipment was authorized?

2 A Yes, well the document that contained the reference
3 to the diversion, I believe, the second paragraph it said
4 something like the U.S. Government endorsed the September 1985
5 shipment and that I specifically recall that one. Meese, in
6 fact, that was the principal angle of questioning that Meese
7 used on North when he showed him the diversion memo at first.
8 I specifically recall that. I don't, I tend to recall that
9 there was reference in, maybe, in [REDACTED] the Septem-
10 ber 1985 shipment being connected to actions on the part of
11 the United States but that is a fuzzy recollection. Nothing
12 else specifically stands out in my mind at this time, but
13 there may have been back then.

14 Q And of the comment regarding the Hawk shipment being
15 endorsed by the U.S., did you discuss that particular provi-
16 sion at the luncheon you had?

17 A Well, that was actually the September shipment. I
18 think those were TOWs.

19 But I don't think we did discuss that at lunch. I
20 don't recall but this is surmising because I had read only
21 the diversion section of that memo I think. I might have
22 looked at this section. We got the copy of this memo at the
23 end of the day and I know we went over it in great detail
24 with Meese before the North interview. We probably didn't go
25 --didn't go over it in that much detail, although Brad might

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SLK-5 1 have mentioned it was in there, I don't recall. I know there
2 was a discussion about it on Sunday afternoon before North's
3 interview.

4 Q During your document review on Saturday afternoon,
5 can you try to recall, please, everything that North had to
6 say to you?

7 A Okay.

8 Well, I recall that he had a conversation, that is
9 in the note that made in Exhibit 8 at the bottom--I guess
10 I will count the pages--bottom of page 7 I have written a G
11 in a circle, drawn a line across the bottom, received call
12 from Israeli code talk nephew and then a swiggle line said
13 lots came out, lots not, mos sens, not so still talking.
14 Then that was referred to a North call that he had with some-
15 one that I could tell was an Israeli because he said, did you
16 see, he referred to an article in the New York Times that day
17 or the day before that mentioned Kimche, he mentioned this
18 article in the New York Times to this gentleman on the tele-
19 phone. He said things like your government, everyone in your
20 government and my government is overreacting or panicking or
21 something like that. The code talk and nephew, he mentioned
22 a nephew, the code talks you don't remember if that I ran
23 across the code which had a key for names and that sort of
24 thing, I don't remember if he was using something like that,
25 but he mentioned Beethoven and composers, I think he might

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9.

SLK-6 1 have told us that Poindexter was Beethoven or I saw that, I
2 remember that.

3 But he told him that a lot had come out about this
4 initiative already but a lot hasn't, that the most sensitive
5 things have not come out. I think that is what my note means
6 here so they are still talking.

7 There was another, second note I have got, Bremer
8 mentioned phone call. I am not sure what that is about.

9 He didn't--I just don't remember what that is about.
10 He mentioned the Ambassador on phone call but I can't remem-
11 ber more about it. I think, the only other recollection I
12 have got is that he placed a call which I thought was back
13 to the West Wing and asked for Poindexter after he talked to
14 the Israeli. He left the room one time to make a pot of
15 coffee. He offered us coffee, and I followed him out of the
16 room, went back while he made coffee. We talked about Marine
17 coffee and how bad it was and that his wasn't much better,
18 that sort of thing--and he came over and, this is over the
19 course of the three hours, I don't remember the sequence, but
20 came over at one point, sat down, and said, all right shoot,
21 let me know I'm ready to take your questions or I guess you
22 are ready to ask them, something like that. We explained that
23 we were just the workers who were going to go through some of
24 the documents and that the AG would ask him some questions
25 tomorrow.

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78

SLK-7

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And, at some point there was a telephone call from

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Meese and my recollection is that Meese talked to me about

3

setting up the time with North, he said, could you see if I

4

could do it in the afternoon instead of the morning because

5

that is church time with the family, we go to Roy Rogers

6

afterward, that sort of thing. That could have been a direct

7

conversation, but I think I was the person who talked to Meese,

8

then talked to North.

9

Q Hold on for a second, was it a case of the Attorney

10

General placing the call, putting him on hold while he talked

11

to North and then speaking to him, or did you place another

12

call to the Attorney General?

End

13

A I don't remember.

SLK

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Dennis D

K-1

1 A I tend to think I put the AG on hold and asked him,
2 but I just don't recall specifically. I mean, it is possible
3 also that the AG called and said, "Let me talk to--put Ollie
4 on," and that I overheard Ollie saying, "Well, could I come
5 in the afternoon." I mean I could be wrong on that; but
6 that's just my recollection.

7 At another point, he said something like--you mean
8 he was passing the time of day and he said something to the
9 effect that there aren't that many people around the govern-
10 ment who are at work at this hour like us that are working
11 these extra hours and that sort of thing. He may have said
12 something--I know at some point he talked about the initiative
13 and the purpose of it. He said people don't understand what
14 it is all about, but this was a broad-based initiative or
15 something, more of the diplomatic reasons. And he also--I
16 just remembered one thing and it slipped through my mind.

17 Q How about his remark of being a fall guy?

18 A Yes. He didn't use that phrase, as I recall, but
19 he did say something to the effect that--I mean, he was very
20 friendly and outgoing and--I mean he gave the appearance of
21 being relaxed. But he said something like well, I'm not
22 worried, in six weeks I'll be commanding a Marine battalion
23 of infantry troops, or something to that effect, that I won't
24 be--he knew he would not be long for this job, something to
25 that effect.

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96

SLK-2 1 Q Anything that you can recall?

2 A The last thing I recall--I'm trying to think if
3 there's anything in the office. I know when we were leaving,
4 we walked out with him from the building into the parking lot,
5 and walked Ollie--Ollie got into his car, just like, as I
6 recall, just like a red and white wagon, a Bronco; and Brad
7 and he were talking about their daughters' mutual interest in
8 horseriding and the strain that put on parents. I think
9 that's about it. I don't think there's anything--nothing else
10 I recall.

11 Q Did he mention to you that he had consulted with an
12 attorney, or that he had an attorney?

13 A I do not recall him saying anything to that effect.

14 Q Did he say that anyone had advised him to obtain an
15 attorney?

16 A No. I don't recall anything about that.

17 Q Did he ask either you or Mr. Reynolds whether or
18 not you thought he should have an attorney?

19 A I don't think so. I don't recall that, and I don't
20 think he did.

21 Q Did--

22 A These are the kinds of things I think I would remem-
23 ber, but I don't. I mean I can't be certain that they didn't
24 occur, but I think I would remember them if they did.

25 Q Did either you or Mr. Reynolds advise Colonel North

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97

SLK-3

1 to get an attorney?

2 A No. I certainly didn't, and I did not hear Brad
3 recommend that. I mean to give--the nature of the thing was
4 that there was a major political problem in terms of--it was
5 clear there was a major political problem with this initiative
6 having been made public and the policy seemed to run counter
7 to previously stated Administration policy, and it didn't
8 seem unusual at all to me to hear him joking about losing his
9 job. As being a--and I didn't know whether it is because he
10 was a proponent of or complementor of the policy. That didn't
11 seem unusual. There was not any flavor or feeling of he had
12 personal legal liability. Although, I mean, we were clearly
13 aware of legal problems for the Administration.

14 Q Do you recall what time you did leave in the company
15 of Colonel North?

16 A I saw a note here a minute ago that seemed to indi-
17 cate it was--yes. On Exhibit 2, it indicates 7:15, JR and
18 WBR depart NSC offices. That's probably about right. I don't
19 think it's contemporaneous, but that's probably about right.

20 Q Did Colonel North mention he was going home or did
21 he have another engagement that evening?

22 A I don't recall. I don't think he mentioned another
23 engagement. I mean, I think we--I recall him saying he lived
24 in Great Falls and I may have said, because they were talking
25 about the horses. I may have said I live in McLean, you have

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98

SLK-4

1 a long drive, or something like that; but I don't recall
2 knowing where he was going.

3 Q Did he mention any meetings that he had had or
4 planned to have with Robert McFarlane?

5 A No.

6 Q Did he make mention of Tom Green?

7 A No.

8 Q Did he make mention of Richard Secord?

9 A No.

10 Q Did he make mention of Albert Hakim?

11 A I don't think so. No. They were all mentioned the
12 next day during the interview.

13 Q Sure.

14 Now Sunday morning, do you recall when it is you
15 went to the Department of Justice?

16 A Well, I came straight to the NSC.

17 Q Oh, okay.

18 A From home. And I overslept because I got in there
19 later--I think we had Jock in there at 9:00 or 9:30, something
20 --we wanted him to meet us around there at that time. It's
21 just my recollection. And my note here on Exhibit 2 indicates
22 I got in there about 10:45. I stayed up very late the night
23 before.

24 Q By the way, when the copies were made of the docu-
25 ments you wanted, did you take possession of them?

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99

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A Yes.

Q Where did you put them?

A Well, I kept them in a pile next to me while we were in the office. Then I think I got one of those legal size fiberboard folders and put them in there when we left.

Q Okay. And where did you take them?

A Took them back to--well, I don't remember if I went to the Department. I probably went to the Department after leaving the NSC. And then I took them with me--I mean, they were on me at all times. I took them home. I don't take classified material home normally, but--I mean I locked them in my trunk when I drove home. I took them inside and put them under my bed. I lived in a one-room place at that time so they were within arms reach. I am sort of paranoid about classified material anyway.

Q I take it then you took them back with you when you went back to the NSC?

A Yes. I probably had a litigation case going or coming. I tend to recall that I did, with notepads and--that's why I think I used stick-'ems to mark my documents. I think I had one of those with me.

Q Do you recall when it was you went from the NSC to the Department of Justice?

A I think it was around mid-day. Let me see if this refreshes my--Exhibit 2, the note for 23 November indicates

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100

SLK-6 1 12:40 to 2:00 p.m. that we met with Meese and Cooper, Reynolds
2 and myself. So we probably left there about 12:00, 12:30.

3 Q And during that meeting, you mentioned that you
4 went through the diversion memo?

5 A Yes.

6 Q Carefully?

7 A I think that we showed it to Meese for the first
8 time then.

9 Q Had you seen typewritten questions prepared by John
10 McGuinness?

11 A I think I saw them at this meeting, at this pre-North
12 meeting. I think Cooper went through them with Meese.

13 Q When did you first discuss the weekend inquiry with
14 John McGuinness?

15 A Golly, let me think. May have been Friday night.
16 I went down to see Cooper and knew that John was involved.
17 I didn't sit down and talk to John about what we were find-
18 ing or the state of play. I did not brainstorm with him or
19 share any information that I had gotten with him. I know
20 there's a set a notes that I took after a conversation with
21 McGuinness, and I don't remember what day. Maybe Monday, where
22 he told me what he had learned at the CIA; and I am sure there
23 came a time when I knew John knew about the diversion pros-
24 pect and a fuller conversation was had, but that could have
25 been Tuesday as opposed to sooner. I don't think that I knew

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101

K-7 1 McGuinness before this weekend. I knew Cooper trusted him and
2 that he was--is a very good lawyer and a very confidential
3 person to deal with this kind of sensitivity as well as
4 classified material.

5 BY MS. NAUGHTON:

6 Q I show you what has been marked as exhibit number
7 9. Is this your note taken of your conversation with John
8 McGuinness on the 24th of November, 1986?

9 A Yes.

10 Q And it indicates 1:30. Is that when the conversa-
11 tion took place?

12 A Probably--yes. That's probably what that means.

13 Q Can you tell me what the first reference is to?

14 A The entry says, "Rumors at CIA extra money"--a
15 dollar sign--"paid to"--its Southern Air Transport. It says,
16 "SO Transport." and "funneled to Nicaragua."

17 Q Now when he hold you this, were you--in other words,
18 were you in his office or your office or was this part of a
19 bigger meeting?

20 A I'm pretty sure this was one-on-one. I don't know.
21 We might have been in Cooper's office or we might have been
22 in my office. I don't know which.

23 Q Was Cooper present?

24 A I don't think so. I mean it's possible, but I
25 would tend to think not.

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102

SLK-8

1 Q Do you know whether or not Mr. McGuiness told you
2 that he had told Cooper this piece of information?

3 A I don't recall. If he had not, he certainly would
4 have the next moment I saw him because I mean he was reporting
5 to Cooper; so I think he was bringing me up to speed on what
6 he had found.

7 Q Did you bring this fact to the Attorney General's
8 attention?

9 A I don't recall. I may have. What is more likely
10 is that Cooper briefed me on what McGuiness learned at CIA,
11 or from talking to the CIA people. But I might have; I just
12 don't recall,

13 See, at this point,--well, this is a slightly
14 different twist on contra funding because it seems to indi-
15 cate the rumors at CIA were the money was funneled through
16 Sourthern Air Transport. But my basic point of view is that
17 well, we already know that money has been diverted from the
18 contras and this would go to the how--but I would think
19 Cooper was the one who would have briefed Meese on this.
20 Although I may have done it.

21 Q When McGuiness told you that this was a rumor at the
22 CIA, did you tell him at that point, well, we found a memo to
23 that effect at the NSC?

24 A I don't think so.

25 Q And did you tell him about the North interview?

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103

LK-9 1 A I don't think so.

2 Q Why not?

3 A I just was not telling anybody outside of the other
4 two, three people including the Attorney General that I was
5 authorized to tell people--tell things to. I knew that Chuck
6 was tasking John to gather certain kinds of information and to
7 look into certain legal questions, and I wasn't going to take
8 it upon myself to share that information with anyone. Not
9 that I didn't trust--he may have known. I just don't remem-
10 ber. Cooper may have told him by this time, but I don't recall.
11 But I'm pretty sure that I did not volunteer it.

12 Q Prior to the Attorney General's press conference of
13 November 25th, did you tell anyone at the Department of Jus-
14 tice or outside of the Department of Justice--

15 A No.

16 Q --about the diversion?

17 A No. The only possible person would have been
18 *McGuinness* McGuinness, and I'm pretty sure I didn't tell him.

19 Oh, I take that back. I told Ken Cribb. Cribb
20 came back into town probably Sunday night. I don't know for
21 sure. Monday morning--actually, I think I called Cribb at
22 home Sunday night and said we are meeting with Meese at 8
23 o'clock or--I think it was 7:30, maybe, 7:30, a quarter to
24 8, we arranged to meet with Meese. I asked Ken--I said, you
25 should be at that meeting. I went and caught him in his

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104

SLK-10 1 office five minutes before the meeting and brought him up to
 2 speed. I mean up to speed in terms of the bombshell prospect,
 3 not in every detail. And then I think Ken went--I believe he
 4 was in that pre-8:10 meeting, but I'm not certain. I think he
 5 was. But Ken was added to the list of people who knew. I
 6 better think for a minute so I make sure I don't miss anything
 7 else.

8 I think that is it. I did not tell anyone else be-
 9 sides Cribb.

10 Q Are you sure? Or do you just think?

11 A I am pretty sure I did not. As I say ^{McGinnis} ~~McGuinness~~ is
 12 a possibility, but--unless ^{McGinnis} ~~McGuinness~~ has raised it with me,
 13 I would not have raised it with him. Now he may have raised
 14 it with me, but then I wouldn't have told him, so I would say
 15 that Cribb is the only one I told.

16 I don't think, for example, I told Meese's secretary and
 17 she was there all weekend. So I think that's right. I'm
 18 pretty sure Cribb is the only one.

19 Q What about anything else outside of the Department
 20 of Justice?

21 A No. I'm not married and I don't think I would have
 22 told my wife anyway; but that would be the only possibility.

23 Q If we can go further now through Exhibit 9, rumors
 24 about CIA. Then we have another CIA did not--please read
 25 that.

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105

SLK-11 1 A Second entry, "CIA did not use"--it says, "SO
2 Trans," T-R-A-N-S, which is Southern Air Transport--"in this"
3 --underlined this--"transaction (Nicaraguan or Iranian ship-
4 ments.)"

5 Q What does that mean?

6 A I gather it means that the CIA did not use Southern
7 Air Transport. I'm not sure what "this" underlined refers to.
8 It may refer--I mean, it may refer to--in fact, it must--when
9 I look at the next entry which says, "All arrangements NSC
10 Bud November '85 [REDACTED] and November '86 replenishment,
11 [REDACTED]." I gather it refers to the--probably to the
12 November 1985 shipment. I hesitate because at some point, I
13 have the recollection that a Southern Air Transport crew
14 was used for something, but I don't know where that fits in.
15 That may have been 1986 shipments. But I think our attention
16 here was on November 1985, which was [REDACTED] the proprie-
17 tary.

18 Q Were you aware during this weekend that Southern
19 Air Transport was being investigated after the Hasenfus
20 crash?

21 A I don't think I was.

22 Q Were you aware of the call by the House Judiciary
23 Committee members for an independent counsel to investigate
24 that?

25 A Well, I was aware of--let me think for a second. I

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106

7LK-12 1 was aware of Congressional requests for investigations of
2 drugs, alleged drug smuggling by the contras. Now I don't
3 know if that's the same--

4 Q No. There is a request on October 17th, 1986,
5 following the shoot down of the Hasenfus plane at which a
6 majority of the House Judiciary Committee members asked for
7 a preliminary investigation into whether or not an independent
8 counsel should be appointed to investigate that particular
9 activity;

10 A Did they name an NSC member as the target?

11 Q Yes, it named North, it named Poindexter, it named
12 Casey, it named Vice President Bush and others.

13 A I was probably aware of that but not--I did not
14 think of it this weekend. I did not--I mean, I was probably
15 aware of such an allegation or a request. I would have seen
16 the letter when it came in to Meese; and I probably would have
17 known that something had been referred, but I don't think I
18 knew that the entity involved was Southern Air Transport or
19 that I put the two together.

20 Q I guess we skipped ahead to Monday morning. I
21 think those are the relevant things from the ^{McGuinness} McGuinness.

22 A Yes. Okay. There's a reference to fair market
23 value. We were trying to find out the price of the weapons.

24 Q What's that last line?

25 A "NSC paid (or intermediary for Israelis et cetera)

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107

SLK-13 1 for Southern Airways."

2 Q Okay. If we can get to then I guess the North
3 interview.

4 A Yes.

5 Q I gather Colonel North came alone?

6 A Yes.

7 Q And this took place in the Attorney General's
8 office?

9 A Yes.

10 Q Were you the designated notetaker, as it were?

11 A Yes.

12 Q You had decided that prior to the interview?

13 A Yes. I mean, it had been decided for me, but yes.
14 I knew I was taking notes. Let me put it this way. I think
15 Cooper was tired of taking notes and Meese--he thinks I'm a
16 decent notetaker.

17 Q Well, you have one of the best penmanships of any-
18 one at the Department of Justice. I can tell you that from
19 personal experience.

20 A Thank you. Except Meese's, his is very neat, too.

21 Q In fact, sometimes it's hard to distinguish the two
22 of you.

23 A Yes.

24 Q Did Colonel North mention at this interview mention
25 having consulted with an attorney or having an attorney?

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108

1 A I don't think he did.

2 Q Was he asked if he had an attorney?

3 A No. I don't think he was.

4 Q Was he told he had a right to have one there?

5 A No. I don't believe he was. I should just, as an

6 aside, on any specific thing, if my memory can be refreshed or

7 corrected by looking at the notes, I sort of reserve that.

8 I go by recollection on this line. It may be incorrect in

9 some detail, but I think on those none of that happened.

10 Q Okay. I really did not have specific questions on

11 the interview.

12 A Okay.

13 Q But I think Tom does. If you want to jump in?

14 MR. MCGOUGH: Want me to do them now?

15 MS. NAUGHTON: Yes.

16 BY MR. MCGOUGH:

17 Q I only brought one copy of these because I didn't

18 intend to introduce them as an exhibit.

19 I wanted to go to that portion of the interview

20 where the Attorney General raised the subject of the diversion.

21 A Right.

22 Q As I understand, the way the interview went at--it

23 proceeded on a general level and for some time, or at least

24 it didn't deal with the diversion for some time, and then the

25 Attorney General brought out the diversion memo and began to

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109

SLK-15 1 to go over portions of the diversion memo other than portions
2 referring to the diversion itself?

3 A Right.

4 Q Is that right? Fair to say?

5 A Yes. I mean--and I think--I mean, that was a tacti-
6 cal determination. He established that North had written
7 the memo and he drew his attention to what was genuinely
8 new information or--on the question of enforcement by the
9 U.S. Government of that September 1985 shipment which was
10 on page 1.

11 Q One of my questions is was that a tactic discussed
12 in advance of the North meeting? When you had this rather
13 lengthy meeting before North came? Were there tactics dis-
14 cussed? How you were going to broach it?

15 A I don't recall that specifically. I do know Meese
16 was talking about what areas to cover; and using the typed
17 questions that Cooper had provided. He said, all right, we
18 want to go through the 1985 shipment; well, how the initiative
19 began; the 1985 shipments. Then talked to him about this memo
20 concerning the use of funds. But I don't recall him specific-
21 ally saying now--if he--he did say, now I will do the question-
22 ing. And if you've got anything to add, you let me know.
23 But it was clear--I mean, it was very obvious to me once he
24 began the questioning what he was doing. You may know this,
25 but he had been a prosecutor for eight years in his early

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110

SLK-16 1 career. So he's--he's a good questioner.

2 Did you know going into the meeting that the Attorney
3 General might have to leave early?

4 A I think I did. His wife was coming back from out
5 of town and he had to go pick her up at, I guess, the train
6 station or--either there or the airport. I think I knew,
7 but I'm not--I don't recall clearly.

8 Q Now there's been some indication, I believe Mr.
9 Cooper's testimony and elsewhere, that when Colonel North's
10 attention was drawn to the diversion paragraph that he was
11 surprised or appeared surprised. Do you concur in that assess-
12 ment?

13 A Yes. Yes.

14 Q Can you elaborate on it in any way? Can you tell
15 me from what you drew that conclusion?

16 A Well, he--I mean, as I recall, his first--he first
17 said was this in my files? We said yes.

18 Q Let's back up for a second. When he said was this
19 in my files, was he referring to--was this at the point where
20 he was first shown the memo or only when his attention was
21 drawn to it?

22 A When it was drawn to the diversion. He had already
23 said he had written the document and that sort of thing. He
24 said you found this in my files? We said, yes. And he--I
25 mean, he was visibly surprised. Meese asked him if this took

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*Did Team also
others?*

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111

SLK-17 1 place. He said yes. And you could see him sort of then
2 recline back in the chair and I think that's about--that's
3 about it in terms of surprise. He was visibly surprised that
4 we had--that this had been found.

5 Q Can you parse it out at all? Could you determine
6 here he was surprised that the memo he was looking at had a
7 reference to the diversion in it? Or was he surprised that
8 you knew about the diversion in general? Maybe I'm getting
9 a little too specific.

10 A Well--

11 Q What I am trying to find out was he surprised that
12 here is a memo he says he's written, and all of a sudden he
13 rears up and realizes there is a paragraph in there relating
14 to the diversion? Was that what surprised him that there was
15 a paragraph in there relating to the diversion?

16 A I would say both. He was clearly surprised we
17 had information about the diversion; and I think he was--
18 his reference to--this was in my files--indicated that he was
19 surprised that it was in the memo. I think it's both. I took
20 it as both anyway. I mean, he never said anything like, I
21 can't believe you found this. I thought I'd gotten rid of all
22 of these. He never intimated anything like that.

23 Q But something about that memo surprised him? That
24 was clear?

25 A Oh, no question. I mean I'm convinced, he had no

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112

DLK-18 1 idea we were going to find anything that concerned the di-
2 version.
3 Q And it wasn't the fact that you had the whole memo?
4 A No. It was the diversion.
5 Q He was--it was the diversion paragraph that was
6 in there?
7 A That's correct.
8 Q This then was--looking at the notes-general conver-
9 sation, after the diversion was broached, about how much was
10 moved to Nicaragua, that sort of thing; and then the question
11 of who knew, I guess, and who approved, who approved the
12 diversion was broached?
13 A Yes.
14 Q Can you relate to me what you recall about how that
15 was raised and what he said about who knew?
16 A If I can look at those notes, it might help me
17 refresh my recollection.
18 Q Sure.
19 A The one thing I remember without looking at the
20 notes is he said specifically the only three people who could
21 know are the following, which was Poindexter, himself, and
22 McFarlane.
23 Q Yes.
24 A But, let me get to the point of--well, they talked
25 about where the idea came from. Then Meese asked him--

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113

SLK-19 1 Q Let's back up a little bit here. There is a refer-
2 ence here to, "if President okays something into working
3 files of," who is speaking here? Can you tell? And what is
4 that a reference to?

5 A The reference is to if the President okays a memor-
6 andum or plan, where does it go. That was what we were try-
7 ing to determine.

8 Q I think if you go back up, there is a reference here,
9 "AG, discuss with RR not with N."

10 A Meese said was this discussed with the President?
11 North's answer, not with North in the room, not when North
12 was present.

13 Q This was then the discussion of the residuals?

14 A Yes. North continues here, Poindexter-this is what
15 the notes mean on 15, Poindexter is the point of contact with
16 the President. Fortier was involved, too. When he became
17 principal deputy. Question: Do you know the amount? North
18 didn't know. Question: Was there any CIA handling of that
19 money? North: No. Don't think they know underlined. Some
20 may suspect. Was this an Israeli suggestion to sweeten the
21 pot? It was discussed with the Israelis to how they could
22 help generally, and that's North and Rabin. Don't recall
23 asking them. Thought the Israelis offered.

24 Q Now we have the line, "if the President okays some-
25 thing into working files of."

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114

SLK-20 1

Do you recall what that was a reference to?

2 A I don't have a specific recollection. From the
3 looks of the note, it looks like Meese asking if the President
4 okays something, what happens to it; and--normally I used a
5 dash to indicate the answer. And the dash, into working
6 files.

7 Q And this is as best you can understand the notes,
8 the Attorney General attempting to determine if there was
9 a written document indicating the President's approval?

10 A That's right.

11 Q And then the next line is again, "AG, if RR approved
12 it, you'd have it"? Is that more or less the question he was
13 asking North?

14 A Yes.

15 Q North said yes. Then there is a line, "don't think
16 it was."

17 A North did not think it was approved by the President.

18 Q Look at the next two lines. Would you read those
19 into the record?

20 A It says, "other files there. It could be in."

21 I think what it means is other files it could be in.
22 Question mark.

23 Q Was that the Attorney General asking North if there
24 were any other files where such an approval might be located?

25 A Yes. I mean, North had said he didn't discuss it

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115

SLK-21

1 with the President. He didn't think the President had approved it. Meese was saying are there other files it could be in
 2 besides yours that--to verify it didn't go forward.
 3

4 Q In other words, the point of asking about other files
 5 was to verify that it didn't go forward to Reagan; is that
 6 right?

7 A Yes.

8 Q And then there is a trunk indicated--what does that
 9 line say?

10 A The last line, there is a star that says, OLN will
 11 check.

12 Q What did that mean?

13 A He said,--we didn't ask him. North volunteered,
 14 I'll check, I don't think so, that it could be in any other
 15 fiels, but I'll be glad to check. I just wrote that down.
 16 We weren't expecting the report back.

17 Q Okay. But at least at that point--then it goes on,
 18 there's some other things to be checked on this page; right?
 19 Check if Israeli dollars got to Nicaraguans.

20 A Right.

21 Q What does that mean?

22 A I don't know what that means.

23 Q Do you recall who was to check if the Israeli
 24 dollars got to Nicaraguans?

25 A Well, I don't think it was--from looking at the note,

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116

SLK-22 1 I don't think it was intended in that way. Because if there
2 were--I use a star and circle if there is some follow-up or
3 action item. I think this was a statement of information.
4 But I don't know who made the statement. It could have been
5 how would you check to see if Israeli money got to the Nicarag-
6 uans, but I don't know what that means. I don't recall.

7 Q The previous entry does have a star next to it
8 indicating what you have called an action item?

9 A Yes.

10 Q Is that your understanding somebody was to do some-
11 thing as a result of that?

12 A Well, he said--he volunteered that he was going to
13 check.

14 Q Yes.

15 A I noted that. I don't think--I mean, I don't think
16 any of us every followed up with him to determine whether
17 there was additional paperwork in the system.

18 Q Did anybody say at that point or at any point to
19 Colonel North, no, don't go and check?

20 A No.

21 Q In other words, you didn't say don't go back to
22 the files?

23 A No.

24 Q And see if there is approval?

25 A No.

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117

UK-23 1 Q Okay. And to the best of your knowledge, no one
2 ever followed up to ask him whether he did, in fact, find an
3 approval?

4 A That's correct.

5 Q Would it be fair to say that at least at that point
6 in the interview, and by the end of the interview, that was
7 just left as an open item?

8 A Yes.

9 Q Okay. Did Colonel North mention any other files
10 that such an approval might be located in?

11 A I don't recall any other files, no, that he thought
12 it might be located in.

13 Q Did he indicate what other files he was going to
14 check?

15 A No.

16 Q I think that's all I have on the notes, Pam.

17 BY MS. NAUGHTON:

18 Q Did Colonel North indicate that he had spoken to Mr.
19 McFarlane that day?

20 A I don't think he did. No. Although he did not--
21 let me think for a minute. He did not have his car with him
22 at the Department and when we were done, he asked me for a
23 ride to get his keys at the White House and then to pick up
24 his car. And I was going to do it, and then Meese showed
25 back up from getting his wife. The interview was done. So

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118

SLK-24 1 Meese's secretary drove him first to the White House, where
 2 she waited for him to run in and get keys, which I think he
 3 said his wife had brought an extra set of keys in. I didn't
 4 really pick up where he had lost or misplaced his keys; but--
 5 I don't know if she brought them--if she went--if he picked
 6 them up at the guard's gate or if he went to the office. But
 7 Kathy, Meese's secretary waited for him and then drove him
 8 over to pick up his car which he said was parked on the street
 9 around K Street; and then she left from there. At some point
 10 he may have had a conversation--North may have had a conversa-
 11 tion with her and said, you know, I was over at McFarlane's
 12 and my car is over there, would you mind dropping me off,
 13 because at some point, it sticks in my mind, that his car
 14 was near McFarlane's office.

15 Q This is Cathie Appleyard?

16 A Yes.

17 Q Is that a common spelling?

18 A Yes. With a c and i-e, though for the Cathie.

19 Q After Colonel North left, what did you all discuss?

20 I assume--

21 A Well, the number one item was the confirmation of
 22 the--of a diversion as it's come to be known, of a use of the
 23 proceeds of the Iranian arms shipments to fund the contras.

24 There was a recognition of the need to find out
 25 who else knew about this and whether this was an authorized

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119

SLK-25 1 activity. There was discussion--I believe that night, but it
2 may well have been the next morning, of trying to determine
3 what--if this happened, and if it was an authorized activity,
4 what the legal ramifications could be.

5 MR. MCGOUGH: You said if it was an authorized or
6 an unauthorized?

7 THE WITNESS: I said an authorized, but--I mean,
8 we were looking at, I guess, the first question was--if the
9 President authorized this, what is the--what are the legal
10 implications. We were obviously--there was a clear prospect
11 that it had been unauthorized as well, I mean unauthorized by
12 the President.

13 BY MS. NAUGHTON:

14 Q Excuse me. Did Colonel North say whether or not
15 Admiral Poindexter had authorized it?

16 A I don't think he did.

17 Q Was he asked?

18 A The implication was both of his supervisors knew
19 about it. He said the only specifically--the only people who
20 could know were Poindexter and McFarlane. McFarlane, as I
21 recall--he said McFarlane found out about it in May of 1986;
22 and so that--I don't think it was specifically said did Poin-
23 dexter authorize this plan; but his--it was clear that his
24 immediate superior knew about it. Oh, and Secord--we asked
-- later if Secord knew, and he said yes.

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120

SLK-26

Q And also Mr. Hakim knew? Right?

A I don't know if he knew or not. I haven't followed the hearings that closely.

Q No. I am asking you what Colonel North said?

A I don't think he mentioned Hakim as knowing.

Q Did he mention that it was Nir's idea?

A My recollection is that he did. But I couldn't point out to you exactly the section of the notes that deal with that. But I think he did.

Q So he indicates that there were at least two other people outside of the U.S. Government?

A That's right. And he said that Nir may be--I think it's Nir, the Israeli he named may be the only one in the Israeli government who knew, if he had handled the transaction himself. That is Nir. And he described the transaction. As I recall, again without looking at the notes, that he said he called Calero, told him to open up three accounts, got three account numbers, and he gave the account numbers to Nir who put money in the accounts. And my recollection of the Tom Green call/meeting on Monday, that the import of that was that North had told us about how the money changed hands was not correct, that it had changed hands in a different way. I don't recall specifically how, but I know you have someone's notes on that.

Q When Colonel North left, was there a discussion as

UNCLASSIFIED

UNCLASSIFIED

121

SLK-27 1 to what to do with the information that you had learned?

2 A On the--well, there was--I recall one on the diver-
3 sion yes. And the Attorney General said he wanted to talk
4 to the President about this and I don't know if it was Sunday
5 night or Monday morning, we met him again Monday morning at
6 7:30. And it--out of those two meetings, it was clear he
7 wanted to talk to the Vice President, the President, Don Regan,
8 and Poindexter. I think he talked to McFarlane about this,
9 too, because he met with him briefly Monday morning.

10 Q Did he indicate--

11 A Just to give this some context, at this point we
12 knew that this was a big deal and the question--I mean North
13 had said this layer of my supervisors know. Meese's immedi-
14 ate concern was does the President know about this? Was this
15 authorized by the President? And if he didn't, you know, this
16 was clearly the kind of policy call that he thought that the
17 President, if it happened, that the President should have
18 known about. So that was the immediate shift, and trying to
19 determine if the President knew about it and if it had gone
20 forward to him. So that's what he set out the next day to do,
21 talk to Poindexter, Regan, et cetera.

22 Q On Sunday, did Mr. Meese indicate what he discussed
23 with Mr. Casey the evening before, Saturday evening at
24 Casey's home?

25 A I just don't recall any--I don't have a recollection

UNCLASSIFIED

UNCLASSIFIED

122

SLK-281 of any report about what he talked to Casey about. North had
 2 specifically excluded the prospect that anyone at the CIA
 3 knew about the use of money from the Iran shipment to fund
 4 the contras, and he had specifically said, and used the word
 5 "could." The only ones in the U.S. Government who could know
 6 about the use of those monies for the contras were Poindexter,
 7 McFarlane, and himself.

8 Q But the Attorney General speaks to Mr. Casey prior
 9 to the North interview?

10 A That's right.

11 Q But after the diversion memo was found?

12 A That's right.

13 Q My question to you is did Mr. Meese indicate what he
 14 spoke to Mr. Casey about?

15 A I don't recall him mentioning that at the time.
 16 He may have, but I just don't remember it.

17 Q Did he mention the visit of Mr. Furmark to Mr. Casey
 18 indicating that investors in the Iran arms sale were about to
 19 file suit?

20 A Did Meese mention that?

21 Q Yes.

22 A I don't know. I know North--Meese asked North if
 23 there were any other problems, bombshells, that wasn't the
 24 word he used but that was the import of the question, clearly
 25 understood. One of them mentioned by North was that there were

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123

SLK-29 1 investors that were getting antsy about not having their money
 2 and feeling that there could be problems there. But that's
 3 the only thing I recall about that. I don't think I heard
 4 about the Furmark materials until maybe Wednesday. Because
 5 Casey sent them over to Meese--some Furmark memos with a
 6 letter from Casey which--and I think they are dated the 25th,
 7 which was Tuesday. I think I may have seen that Wednesday
 8 morning. But I don't have any recollection of those before
 9 then.

10 Q On Monday, did the Attorney General ask anyone to
 11 do any further interviews? In other words, he was going to
 12 go to the White House to see the Vice President and other
 13 people about this. Did he task anybody else with doing any
 14 other interviews?

15 A I don't remember him doing that. He certainly did
 16 not task me to do that, but Cooper--I don't know if Cooper was
 17 doing anything or not on the other front. He may have still
 18 been in contact with the CIA on--I know that he was doing
 19 things with the CIA general counsel for sometime. I just
 20 don't know.

21 Q And was it discussed with the Attorney General
 22 whether or not someone should go along with him when he spoke
 23 to Mr. Poindexter and the others?

24 A I don't think so. I don't recall any such discussion.
 25 I don't think--I don't think there was one.

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124

SLK-301 Q By the way, were you present when the Attorney
2 General spoke to Secretary Weinberger?

3 A I don't recall being present, but it's possible that
4 I was. This is on the telephone?

5 Q Yes.

6 A I don't remember. Being there or not being there.

7 Q Did the Attorney General discuss with you what
8 Secretary Weinberger told him.

9 A I don't think so. I mean, all I--and I can't place
10 this in time, but Meese's comments were that Cap doesn't know
11 --Cap doesn't really have many of the details on this, some-
12 thing to that effect.

13 Q Now once the Attorney General returned from the
14 White House, did he tell you what happened? I gather he
15 returned sometime around noon or so? On the 24th?

16 A Let me see if I can remember from looking at--yes.
17 Well, it indicates in my notes, Exhibit 2 here, on the 24th,
18 that we had lunch from 12:45 to 1:30. Meese, Reynolds, Cooper,
19 Cribb, and Richardson. But I have, in parentheses, check,
20 with an exclamation point. That may mean I either got the
21 time, the person--or the number of people wrong. But he had
22 a--I know he had--well, there is a notation here, 1:40, V.P.
23 I know he had a NSPG meeting at 2:00. This would indicate
24 he talked to the Vice President at 1:40. I tend to--I don't
25 have a note to this effect, but I tend to recall that he saw

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125

SLK-31 1 --I know he saw McFarlane around 10:00 in his office and I
2 thought that was over at the White House to see Regan and the
3 President late morning. But he may not--that may have just
4 been Regan and Poindexter.

5 I don't recall anything out of that lunch meeting at 12:45
6 that day. He may have--I mean, at that point he might have
7 said well, I'll see the Vice President then and I will see
8 the President again at 4:30, something like that. It may
9 still have been fluid.

10 Q Did he tell you at the meeting with the President in
11 the morning that he had told him about the diversion?

12 A To this--I'm still not sure when--which--when he
13 talked to the President that day. I know he did at the end
14 of the day. But I don't recall him--I just don't recall any
15 lunch conversation on that day. Sorry to say. He may have,
16 but he may not have.

17 Q But, I mean, this was the big issue. Did the Presi-
18 dent approve it or not?

19 A Yes. I just don't remember it now. He may have
20 come in and said well, the President doesn't remember this.
21 But I just don't remember now. I mean it was clear by the
22 end of the day, it may have been at lunchtime that the Presi-
23 didn't think he had approved it or that he had never heard of
24 it and Regan had never heard of it and that was confirmed
25 later in the day. But I don't know. I can't say when that

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126

SLK-32 1 conversation occurred. It was obviously the big topic and
2 it was obviously covered at lunch, but I just don't know the
3 content of the conversation.

4 Q Now--

5 A If I can just--I do know that when he came back at
6 the end of the day Monday, we knew that this had not been
7 authorized by the President for a certainty.

8 Q If I can go back, in the morning, to the meeting
9 with McFarlane?

10 A Yes.

11 Q Were you present at that?

12 A No.

13 Q To your knowledge was anyone present other than the
14 Attorney General and Mr. McFarlane?

15 A I don't know. Cooper might have been, but I don't
16 --it might have been just Meese and McFarlane. I'm not certain.

17 Q Do you know why you were not present?

18 A I mean I was--I had not been in the first McFarlane
19 interview, so I didn't expect to be. I was the most junior
20 and least--to be blunt, least important member of the team.
21 So it didn't surprise me not to be there.

22 Q I am not asking you if you were surprised. I am
23 asking you if you know if there is a reason why you or anyone
24 else wasn't there?

25 A Oh, no. No, I don't. I mean, I know of no reason

UNCLASSIFIED

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127

SLK-33 1 why I was excluded if that's the question.

2 Q Was there an expression on the Attorney General's
3 part prior to that meeting that he wished to speak to Mr.
4 McFarlane, the Vice President, Poindexter, and Regan alone?

5 A I don't think so, no.

6 Q Was there any discussion of whether or not he was
7 going to take notes of these discussions?

8 A No. I don't recall any.

9 Q Now I take it that you know--

10 A You know, we might at lunch, we might have talked
11 about--at some point either that morning or the night before
12 Meese told Cooper to find out when the Boland Amendment was
13 passed, and that sort of thing. It may be that there was a
14 preliminary discussion along those lines at lunch that day.
15 But that would be a reasonable guess on what--I know that was
16 covered Monday at some point.

17 Q Other than the early morning meeting with the
18 Attorney General and the lunch meeting, what were you doing
19 Monday?

20 A Well, we--I suspect that we probably had our formal
21 8:10 staff meeting, our 8:30 staff meeting. I could look at
22 his schedule and tell you for sure, but if you have that--but
23 we normally then spend the 9:00 to 9:30 or so timeframe with
24 our schedulers and that sort of thing. That may have been
25 done. I just don't remember. I might have been seeing that

UNCLASSIFIED

UNCLASSIFIED

128

SLK-34

1 copy of the documents from the NSC was made, something along
2 those lines. I just don't recall.

3 Q Did you feel confident as of Monday that you had
4 seen all the documents you needed to see?

5 A Well, we had been through almost all of what North
6 had provided to us. We had not been through some files marked
7 [REDACTED] 1986. We had been through all 1985 material and
8 all the 1986 material marked White House memoranda or miscel-
9 laneous. So--I mean, I felt confident--I knew that we had
10 been through everything that had been provided to us. I
11 couldn't say that I thought every document that existed in the
12 government on the subject I had looked at, but--at this point,
13 --I mean the weekend tasking was get the facts, there's a
14 2:00 o'clock meeting on Monday. At this point, by Monday, we
15 had learned the facts and we hadn't pursued every detail, but
16 at this point, there is a major--I mean obviously what happen-
17 ed in 1985 was much less significant than the diversion; and
18 the attention was focused very--immediately on the diversion.
19 Cooper was looking into some of the legal questions. I'm not
20 sure what I was doing. I might have just been in my office
21 working or looking through some of these memoranda, but the
22 focus of things shifted immediately to Meese working at a
23 level with the President and the Vice President, Regan, Poin-
24 dexter, to figure out what happened and what this factual
25 revelation meant. So, I mean--my intimate activity in terms

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129

SLK-35 1 of looking at documents and all that stuff had become a second-
 2 dary thing. I mean this was clear--I mean, there was a very
 3 clear consensus Sunday night, reiterated explicitly Monday
 4 morning. We've got to find out what happened, was this
 5 authorized, and make this public; and so that is the track
 6 that was moving very quickly and those other activities which
 7 seemed much more important 24 hours earlier were much less
 8 important at this point.

9 Q Why was it so important for it to become public so
 10 quickly before you had all of the facts?

11 A Well, Monday was spent getting all the facts. That
 12 is--I mean the important facts. Did the President know about
 13 this? Who else knew about it? Those were the crucial things
 14 at this point. It's pretty obvious that this was a major
 15 development, that the Reagan initiative had already been the
 16 subject of three weeks of very serious public debate and the
 17 Administration was dealing with a serious foreign policy
 18 problem. I mean, this is from my personal perspective. There
 19 was also--I mean it was obvious that this development compound-
 20 ed that dramatically and--I mean Meese was conscious through-
 21 out, that is throughout Sunday night when he and I had a brief
 22 conversation and Monday morning when this conversation occur-
 23 red that with this kind of development, all information had
 24 to be gathered quickly and made public quickly, because this
 25 --I mean, this is obviously--was going to create a problem

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130

SLK-36 1 for the Administration and could only be compounded if it
2 were not made public. By public, I mean Congress to be
3 notified, because there had been--the three weeks preceding,
4 the debate had centered upon the nation--the failure to notify
5 Congress on the arms initiative; and I think that was the basic
6 reasoning.

7 Q But my question is why go public so quickly? In-
8 other words, a decision was made to go public prior to,
9 for instance, informing the FBI what had occurred. The infor-
10 mation to go--the decision to go public and the going public
11 of the information was prior to interviewing many of the key
12 players in the Iran arms transaction. So my question was
13 what is it that triggered Tuesday noon as zero hour for when
14 it was going to go public?

15 A Well, I mean--I would see no basis for informing the
16 FBI, for example, as an entity. And all the key players had
17 been interviewed. I mean North had been interviewed. We
18 didn't track down Secord and Hakim or any of that sort of
19 thing. The President was interested, Meese was interested in
20 what do Administration officials know about this.

21 Q Was Mr. Casey asked if he knew about the diversion?

22 A I don't think--well, I don't know. The Attorney
23 General has said that he did not raise that with Casey before
24 the interview with North. But that it was discussed with
-- Casey, as I understand it, Tuesday morning at Casey's home,

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131

X-37 1 because apparently Regan had said something to Casey about it.

2 So--but it's obvious that with this kind of a devel-
3 opment, that this was going to cause a major political problem
4 for the Administration; and--I mean Meese, in the interview
5 with North, said we don't want anything that can even look
6 like a coverup. We want to get to the facts and get them to
7 the President and this was before knowing about the--getting
8 Meese--getting North to confirm the contra diversion.

9 So I think the interest was in--as this bombshell
10 was learned, it was to be made public as soon as possible,
11 because it would have been--if this had been made public by
12 someone other than the President, that would have added to the
13 problem.

14 Q So there was a concern of leaks as well?

15 A I mean I didn't--I know Cooper has tagged it as
16 a concern of leaks. I didn't view it that way. I guess--
17 I mean--I was concerned personally. I mean Meese was commit-
18 ted to getting this public as soon as possible. He didn't
19 say I want to get this public because x, y, and z. In con-
20 versations with Cooper, he said, you know, this thing could
21 leak out, et cetera. I said the key is to get the President
22 to make this public. And the President has--I mean, through-
23 out this, certainly since this time, has wanted to make--
24 get the accurate information and make it known. This was
25 a major operation, a major policy initiative that blended

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132

SLK-38 1 two very important and controversial policies together and
2 the President didn't know about it. So it's obviously-- I
3 mean in hindsight and it was clear to us at the time that
4 unless this was made public immediately, that it would create
5 even more problems for the Administration.

6 Q As you said, if someone else would have--were to
7 have mentioned it, if it were to come out by some other means
8 other than the Administration?

9 A Right.

10 Q Okay.

11 A I mean, with rumors--rumors at CIA about this and
12 that.

13 Q Monday afternoon, the meeting with Green, I take it
14 you were not involved in that?

15 A That's right.

16 Q Did you receive a report about it?

17 A As I recall, yes.

18 Q And in that report,--when you received the report
19 about it, were you in the presence of the other team members
20 or was this--

21 A I think I was. I think Meese, Reynolds, and Cooper
22 and there may have been others present, too. I think I have
23 a note on that, but I'm just not sure.

24 Q Was it discussed then that Albert Hakim was--let me
25 back up. Mr. Cooper's notes indicate that they were told

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133

SLK-39 1 that Albert Hakim was the guy who originated the idea of the
2 diversion, according to Mr. Green. Do you recall that being
3 state to the group?

4 A No. I mean, it may have been. I don't recall it.

5 Q Do you remember Mr. Hakim's name coming up?

6 A No. I don't recall it.

7 Q Now on Tuesday morning, you were tasked to go to
8 the White House to look at documents?

9 A Well, I rode into work with Meese Tuesday morning.
10 I live very near his house. So once in awhile, I just hop
11 a ride with him. That coincidentally happened to be one such
12 day. So I rode with him from his house. He stopped by Casey's
13 house. We went to the Department. He met briefly with Poin-
14 dexter. He met--we then grabbed Cooper. In fact, Meese
15 called Cooper from the car, and Cooper was still at home, and
16 said he in my office by X time.

17 Q When you stopped at Mr. Casey's house, did you take
18 part in that meeting or did you stay in the car?

19 A No. I sat in the car.

20 Q And do you recall how long the meeting was?

21 A My notes reflect, I think--well, in Exhibit 2, my
22 notes seem to indicate five minutes. 6:40 to 6:45 a.m. Might
23 have been a little longer. Actually it seemed a little longer
24 in hindsight, but five to ten minues, I would say.

25 While he was in there, there was a call placed to

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134

SLK-40 1 to the car from Don Regan--from the White House operator. I
2 told him he was in Casey's house. I think he called him in
3 there or we ran in with the message to Meese who called Regan.
4 I can't recall which.

5 Q Was Regan calling for Meese or for Casey?

6 A For Meese.

7 Q Why is it that you didn't go into Casey's house
8 with Mr. Meese?

9 A No particular reason. I wasn't asked to and I
10 normally wouldn't sit in on a meeting between Meese and Casey.

11 Q Did the person who placed the call for Mr. Regan
12 indicate what he wanted?

13 A No. I think it was a White House--the White House
14 operator and I tend to recall that Meese's driver ran in--
15 ran up to Casey's door and said that Regan was trying to
16 reach him. As opposed to our directing the operator to
17 Casey's residence.

18 Q Did Regan place the call then to Casey's residence?

19 A I don't--I mean I think based on my recollection
20 that the driver went and told Meese that Meese placed a call
21 to Regan from Casey's residence.

22 Q But--

23 A They did talk, when they were in there.

24 Q They did not talk in the car?

25 A Right. Because when he came back, I said did you

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135

SLK-41 1 get Regan, as I recall; and he said yes.

2 Q Did he say what Mr. Regan wanted?

3 A No. I don't think he did. I don't recall that.

4 But he--Meese then placed a call to Poindexter who was not
5 in his office. He was in his car. So he reached him in his
6 car and he asked him if he could meet--Poindexter if he could
7 meet Meese at the Department.

8 Q When is it that you discovered that Regan had told
9 Casey about the diversion?

10 A Oh, at sometime substantially later. It could have
11 been in the last month. It was a statement to that effect.
12 I'm not sure that he did, I should say. I just--my recollec-
13 tion is that someone said that Regan had told Casey about it.
14 Meese may have said that. I'm not sure.

15 Q When the Attorney General got back into the car
16 after visiting with Casey, did he tell you what he talked
17 about?

18 A No. I don't think he did. And we were--Meese's
19 driver and a FBI agent were in the front seat, so he--I mean
20 he didn't get into any details. I mean I would not have ex-
21 pected him to give me an update on the diversion of funds in
22 front of those--in front of his driver and the agent.

23 Q Were you present when Admiral Poindexter met with
24 Meese at DOJ?

A No. They met one on one and I was outside the door.

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136

SLK-42

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Q Do you know how long that lasted?

2

A Well, my note here--again in Exhibit 2, indicates

3

it was about 15 minutes. Ten, fifteen probably.

4

Q Did you have any indication that Poindexter would be asked to resign?

5

6

A I'm pretty sure that I knew after the meeting. I

7

don't know that I knew before. I just don't recall. But I

8

grabbed Cooper probably while the meeting was underway and I

9

think Meese pulled Cooper in and we talked briefly. I think

10

he said Poindexter is going to be resigning this morning, we're

11

going over to the White House. That's just my recollection.

12

It's not crystal clear.

13

Q Was there any discussion of Colonel North's being resigned or fired?

14

15

A I don't think there was there at the Department.

16

Q Did you discuss that with the Attorney General or did he discuss that with anyone in your presence?

17

18

A Well, we went--the next meeting was at the White

19

House with Regan and Wallison and Thompson and then Meese,

20

Cooper, and myself. I mean at some point before the press

21

conference--and I don't know at what point, this might have

22

been with Meese and Regan out of the room, I understood that

23

Poindexter would be requesting reassignment to the Navy.

24

Q Okay.

25

A I may have learned about Colonel North when I saw

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137

SLK-43

1 a draft of the President's statement.

2 Q Do you know who wrote that?

3 A Yes. Let me think here a second. Well, after the
4 Regan-Meese meeting broke up, which was about 9:00 o'clock
5 when Regan and Meese went down to the Oval Office, Cooper and
6 Thompson and Wallison were tasked to write a statement. I
7 was tasked to go down to Thompson's office and look at docu-
8 ments. I am not sure who penned it, but between the three of
9 them, they wrote one. Because I joined up with them later in
10 the morning up in Wallison's office. They were going over a
11 draft.

12 Q There seems to be much discussion primarily amongst
13 Colonel North and Admiral Poindexter as to why Poindexter was
14 allowed to ask for reassignment and why North was summarily
15 discharged from the NSC, can you shed any light on that
16 decision making process?

17 A I was not present when that was discussed with Meese
18 and I don't know that Meese was a part of that. It's my
19 impression, purely an impression, that--I mean, that was a--
20 just something that Don Regan and or his deputies had done.
21 I mean, I don't even--I got the impression, and I believe that
22 it may have been that day, I'm not sure when, that North was
23 not informed about this. And it may have just been an over-
24 sight on the part of Regan and his deputies. I don't recall
any specific discussions saying, all right, we are going to

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138

SLK-44 1 do this to North and this to Poindexter. Although there may
2 have been out of my presence.

3 Q You were tasked with finding out whether or not any
4 of these documents got to the President.

5 A Right.

6 Q By some other system or some other manner?

7 A Yes.

8 Q What did you do to try to find that out?

9 A I went down to Thompson's office, told him that that
10 is what I wanted to do. He--and I described the nature of the
11 search and the need to search all the systems that would pro-
12 duce documents to the President. He said okay, we'll do that.
13 He came back at some point with a lady, his executive secre-
14 tary, and she brought me some documents that were responsive.

End
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139

1 BY MS. NAUGHTON:

2 Q Do you remember what her name is?

3 A No, she looked to be about 50, with brown curly
4 or wavy hair, sort of short, but I don't remember her name.
5 She had some documents which I looked through, and I said,
6 "How have you searched" and she told me the six or seven
7 terms she used.

8 There were things like Iran arms shipment,
9 Nicaragua, contras, that sort of thing, and I questioned
10 her about it, saying, "Well, would this kind of document
11 show up on this search, and does your computer scan all
12 that kind of thing, and satisfied myself that this would
13 have been found, and she said, "We will make sure it is,"
14 which she did. And I don't think she brought me a second
15 load of documents. I think Thompson came in and said,
16 "That is all we found."

17 In that group of documents, I recall one document
18 that was relevant, which was minutes of an NSPG, I think,
19 a meeting where third country assistance to the Nicaraguan
20 resistance was discussed, and the Secretary of State
21 specifically was talking about it.

22 There was no mention in that meeting, in those
23 minutes, at least of the use of the arms shipment proceeds
24 to fund the contras.

25 Q Do you recall when that meeting was?

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140

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1 A No, I did then, but I don't. We turned those notes
2 over, though. I tend to think it was sometime in 1986,
3 May or sometime in the spring, early summer of 1986, but
4 that is just the vaguest recollection.

5 In the meantime, I looked through Thompson/
6 Poindexter file, saw the findings of 6 January, saw a
7 document of -- at the time I looked quickly. There was
8 nothing that the President had signed other than the
9 findings.

10 I think a copy of the second findings was in
11 there, but I am not crystal clear. But there were a
12 number of documents which said, "Shred after reading,"
13 that sort of thing, which were scenarios of events
14 involving arms shipment, hostages. I took one page of
15 notes on these and one of the interests. Things that I
16 recall was that they expected Khomeini to be dead on a
17 certain date, and that -- which was, I thought, was very
18 interesting. There were one or two other things.

19 I took a note in addition to the 17 January
20 findings in the 6 January finding, which was the words,
21 "third party," and one or two things like that. When I
22 finished that, I went up to Wallison's office and reported
23 to them that there was nothing else there that I saw, looked
24 over the statement. I made those comments to Cooper. He
25 said, "That is already being fixed." I don't remember what

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bap-3

141

1 it was, but it wasn't much, and then I think we were told
2 that we knew that NSC was going to meet with the
3 President, I think, in the Oval Office, and then the
4 Congressional Leadership was going to be briefed, and we
5 were told that we would be -- Tom Dawson, Regan's aide,
6 you and Cooper will be in the Congressional briefing.
7 And the next event that I recall was being in the
8 Congressional briefing waiting around outside the cabinet
9 room while they all showed up.

10 Q If we can go back to the documents, given by
11 Paul Thompson's executive secretary, were any of those
12 System 4 documents?

13 A Don't recall. I did not focus on that. I might
14 have seen a System 4 up there, and it did not register
15 at all.

16 Q When you did see the finding of January 6, was
17 it in with other documents, or did he retrieve it separately?

18 A It was in the pile. Let me think here. He showed
19 it to me, but I tend to think that he showed it to me and
20 said here is this, and then put it down, and I went ahead
21 and went through other things. I think it was in a folder
22 by itself. I think it was the original.

23 Q Do you remember seeing ink?

24 A Blue ink. I think it was signed in blue ink by
25 the President, and it was -- I don't know if the -- what I

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ap-4

142

1 can't remember is if the editing was done on the original
2 or on a copy. I don't remember that.

3 Q Now, as of Tuesday morning, was it clear that
4 this was going to be the Presidential statement and the
5 Attorney General having press conference?

6 A Yes.

7 Q So the format was already established by then.

8 A Well, over the course of the meetings there it
9 may have come out of the 8 o'clock meeting or we might
10 have met Meese and Regan back in the office at 10:00
11 but I am not sure, but at some point over the course of the
12 meeting I knew before the Congressional Briefing, I knew
13 that we were going from that to a press conference; that
14 Meese would take the main lead in addressing the press.

15 Q The Attorney General mentioned in his presence
16 that the matter would be referred to the Criminal Division.

17 A That is probably correct, I don't. I haven't
18 looked at the transcript recently. I did look at my notes
19 of the Congressional Briefing where he indicated that this
20 would be reviewed for any criminal liability.

21 Q When was that decision made?

22 A I don't know. I think that is my first recollection
23 of it, of hearing that. There had been discussions Monday.
24 There had been discussions after the North interview
25 Sunday night or Monday morning, that this presented new legal

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bap-5

143

1 problems, which I guess is an obvious enough conclusion,
2 and Cooper had undertaken to determine and the example I
3 specifically remember is when the Boland Amendment was in
4 place, and if so, what are the implications of that for
5 this transaction. And I recall that there were, I believe
6 there was a conversation about that on Monday -- yes,
7 Boland was passed on X date.

8 I don't recall any discussion of -- although
9 there may have been, Meese may have said something like
10 see what other laws are implicated by this, but I am not
11 crystal clear on when that was. I know Cooper would
12 probably be clearer because he was tasked to do it.

13 But, I know that on Tuesday, when we got back, it was
14 formally kicked into a criminal investigation.

15 Q Bringing Mr. Weld and Mr. Trott into this?

16 A Yes, sir, and he met with Webster and I think they
17 talked about getting -- I guess the first meeting was
18 with Weld, Trott and et al. He met with Webster about
19 having a team of agents put together that could work very
20 quickly on this.

21 Q Do you know whether this meeting was at the
22 Attorney General's impetus or Mr. Webster?

23 A Yes, I think he asked. I believe he asked Webster
24 to come over and meet him. I could be wrong on that. This
25 was a matter that they had discussed before.

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bat-6

144

1 Q Were you present when they discussed it on Friday?

2 A No.

3 Q Was anyone to your knowledge?

4 A I don't think so.

5 Q Were you present when they discussed it on
6 Tuesday?

7 A No, not on Tuesday, not that I recall. Well,
8 let me take that back. I don't think I was, no. It is
9 possible. I don't know if I got an entry that indicates
10 that. This 25 November entry in Exhibit 2 indicates that
11 I was present in the meeting with Webster--2:05 Meese,
12 Webster, Arnold Burns, Cooper, Richardson, Cribb, Reynolds,
13 and Trott joined the meeting at 2:20.

14 So I was present, I guess, when that -- when they
15 decided it is time to go criminal. I don't recall that.

16 Q The meeting the next day, the large meeting when
17 representatives of the FBI were present and so forth,
18 was Mr. Webster present, do you recall?

19 A I don't think he was.

20 Q But are --

21 A I think Floyd Clark was present.

22 Q But you recall him there on the 25 meeting at
23 around 2:00?

24 A Yes.

25 Q Was there a discussion then of securing the

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bap-7

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145

1 documents at the White House on the 25th?

2 A Yes, on Tuesday the 25th, Meese instructed
3 Arnold Burns to call Wallison and the reason is any time
4 there is communication between the Justice Department
5 and the White House on pending cases or such as it is
6 between the Deputy's office and the Counsel's office, to
7 call Wallison and make sure that they secured North's
8 documents, Poindexter's documents.

9 Q Do you know when that was actually done?

10 A I know it had been done at the end of the day.
11 My recollection is that there was a meeting again at the
12 end of the day, and where we were reviewing, I had been
13 tasked to draft a piece, written document, request a
14 document description of all these documents should be located
15 and held for the Bureau, and we were going over that at the
16 late afternoon meeting and --

17 MR. MCGOUGH: Would this be the 6:40 meeting?

18 THE WITNESS: Yes. I think Meese asked -- Meese
19 said something -- Meese said, "Have the documents been
20 secured," and Arnie said, "I haven't got through to Wallison,
21 or something like that, and he left the room and did so.
22 I recall he came back and said Wallison has already done
23 that, something along those lines, which makes me think it
24 was taken care of on Tuesday afternoon.

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146

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1 BY MS. NAUGHTON:

2 Q The letter that you drafted, do you know when
 3 that was sent?

4 A Well, it wasn't a letter. It was plain white
 5 paper, a paragraph, describing the field of documents, and
 6 I don't know when it was sent. I don't.

7 Q Who was in charge of sending it?

8 A I think it was to be an Arnold Burns to Peter
 9 Wallison memo, but I do not know if it was in fact
 10 sent. I know that a group of letters were sent. I guess
 11 this was -- Wednesday was the day before Thanksgiving.
 12 I think the letters went Friday to Cabinet officials asking
 13 for documents on the subject, and I don't know if Wallison
 14 instead got one of those letters to make the formal
 15 request or if there was a memo.

16 I just don't recall.

17 Q Who was in charge of drafting the cabinet letters?

18 A I don't know.

19 Q When was the possibility of appointing independent
 20 counsel first discussed?

21 A I don't know that.

22 Q Well, at some point it was discussed in your
 23 presence, I take it.

24 A It sure was.

-- Q Was it discussed with Trott and Weld when they were

UNCLASSIFIED

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147

b-7-9

1 brought in at 2 o'clock?

2 A It may have been. I just don't recall the first
3 time it was discussed. I mean, it was fairly soon after
4 this issue, after it became a criminal investigation,
5 because one of the first -- we have had a number, a lot
6 of experience with these matters, and having independent
7 counsel investigations, and one of the early things on
8 the table was whether this first triggering mechanism had
9 been met. And I mean I recall discussions of whether
10 North was a covered person or Poindexter, and that sort
11 of thing.

12 I am not sure when they began. Not before
13 Tuesday afternoon, I am sure of that.

14 Q There was some discussion along those lines,
15 was there not?

16 A Yes, sir.

17 Q About appointing instead a "special prosecutor,"
18 that would be a part of the Department of Justice, but
19 sort of on a separate track. Do you recall that discussion?

20 A Well, I did not until you mentioned it. I
21 vaguely recall that. There was considerable discussion
22 about whether there was enough information or criminal
23 conduct and/or criminal liability to proceed with an
24 independent counsel, and there -- I remember specifically
25 thinking that we weren't quite there even when the decision

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148

1 was made -- Weld, I recall, had problems although he was--
 2 he had produced a draft that cited every statute in the
 3 code practically. There was a lot of concern that if we
 4 followed the law, the independent counsel statute, we were
 5 not in independent counsel territory based on facts,
 6 and the laws that we knew, and someone, I think, surfaced
 7 this as a concept that we will because of the political
 8 climate, what you might want to do is look at appointing
 9 someone to operate independently, but not within the
 10 independent counsel's statute.

11 I don't think that was -- my recollection it was
 12 very much a passing suggestion and not an option one or
 13 option two.

14 Q Do you know what the Attorney General's position
 15 was Wednesday, the 26th?

16 A I couldn't --

17 Q Regarding the counsel?

18 A Well, I think his -- I don't know as of Wednesday,
 19 the 26th. His view had been, as I recall, he had expressed
 20 this view, this was -- this probably was going to end up with
 21 an independent counsel, but we based on discussions he got
 22 out of it in terms of doing interviews and that sort of
 23 thing, after we turned it over to the criminal side, and
 24 it was in the mode of Trott and Weld coming up and saying,
 -- "Well, this is what we have got these laws, these facts."

UNCLASSIFIED

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149

1 independent counsel, and that being the sort of terms of
2 discussion, and I don't think this other business was a
3 serious option.

4 But the conversation kept coming back to well, we
5 don't really have enough to proceed under the independent
6 counsel statute yet. Then Weld came in the first or
7 second day with a rash of legal theories that how one could
8 have criminally built ranging from conspiracy to violation
9 of civil law like the Boland Amendment was a crime to
10 all kinds of fraud prospect based upon not knowing who
11 did what with these amounts of money and where they went
12 or the intermediate theory of this was government money,
13 and it is fraud against the government.

14 So they had that kind of range of things. No
15 facts to back them up yet.

16 Q Once Mr. Cribb got into it, and when he returned
17 from his trip and came back on Monday, and took part in
18 several of these meetings, did you know whether or not
19 he took notes?

20 A I don't know whether -- I did not know whether
21 he did or not.

22 Q Is it typical for him to take notes in such a
23 meeting?

24 A His typical approach was to take action notes so
25 he would have a list, and if he were to do something, he

UNCLASSIFIED

bap-12

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150

1 would take a note down, but he did not take, as a rule,
2 meeting notes or that sort of thing.

3 Q Was there anyone assigned or anyone who
4 generally took such notes that you have described as meeting
5 notes in the Monday morning staff meetings, the preliminary
6 meetings or 8:30 meeting?

7 A Yes, I always took notes in the 8:30 meeting.
8 I have a spiral notebook that eventually-- I regularly
9 listed it in spiral notebooks.

10 As an aside, these notebooks I bought with my own
11 money so that my attempt was to create a personal record
12 that I could take home and that would be of historical
13 and personal use so it would not be a document subject
14 to FOIA. So it was more of a -- I took action items
15 on occasion in there, or occasionally on a yellow sheet, but
16 I was the principal note-taker.

17 Now, Meese occasionally took action notes out
18 of the 8:30 meeting. I have since learned, though, I
19 didn't really pay attention. Occasionally people write
20 down things they are supposed to do. Terry Eastland,
21 who is Director for Public Affairs and Randy Levine, who
22 is in the Deputy's office, he took more systematic notes.
23 I really wasn't aware of that. I don't think anyone at
24 the 8:10 meetings -- there are only five of us in there --
25 takes notes. For a time I used to take 8:10 notes in my

UNCLASSIFIED

UNCLASSIFIED

151

bap-13

1 binder with the 8:30 meeting notes, but I stopped doing
2 that.

3 Q And regarding Mr. Bolton, these staff meetings
4 and these meetings that he attended on the 20th and
5 possibly the 21st, do you recall whether or not he took
6 notes?

7 A He does take notes. There are not comprehensive
8 notes like I try to take. He takes action notes, that he
9 has a small pad that will fit into the inside of the
10 coat pocket, and if Meese asks him to do something or
11 check up on something, he will jot it down.

12 Q Now, we are going to go through just a
13 few more documents.

14 MS. NAUGHTON: If you could mark this one next
15 in order, please.

16 (The document referred to was marked for
17 identification as Exhibit JR-10.)

18 BY MS. NAUGHTON:

19 Q Now, Exhibit 10 is a document taken from the
20 spiral notebook, dated 29 October 1986. Are those your
21 notes or the Attorney General's?

22 A They are my notes.

23 Q This is the discussion of the requests by
24 the House Judiciary Committee members regarding independent
25 counsel to be appointed. If you could review that and tell

UNCLASSIFIED

UNCLASSIFIED

bap-14

152

1 me what the discussion was.

2 A Okay.

3 Q Can you describe to us what that discussion was
4 about?

5 A Okay. It is not clear who is speaking for the
6 first entry because you can -- I would have written
7 someone's name up here with a colon and made a point
8 here, then went on to these, so someone --

9 Q If I recall, for the record we have a redacted
10 copy.

11 A This is a redacted copy. Whoever has -- the
12 redaction has also included the name of the speaker for
13 the first entry on the note. But it refers to a Conyers
14 letter, and independent counsel request. Our response--
15 this is me interpreting my notes -- our response was to ask
16 for more specific information, if any. Then we would review
17 that information.

18 Then speaking to Terry Eastland -- I would guess.
19 Well, I don't know this -- speaking to Terry Eastland,
20 the statement put out a press advisory that there is not
21 "a preliminary investigation" to set the record straight,
22 public record.

23 That is, the letter that had been received had
24 not triggered a preliminary investigation, but instead we
25 had asked for more specific information. It may just

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bap-15

153

1 be based on a press report, which occasionally would happen.

2 Then Weld says, "Let's just get the word out,
3 to make clear what our position is." And Eastland says,
4 "We will be sure to make sure certain large media know."
5 Then Cooper says, "There is lots in OLC on triggering
6 the Independent Counsel Act and the Neutrality Act."

7 That entry means that OLC has a lot of
8 institutional learning, legal analysis and opinions on
9 both questions, triggering the Independent Counsel Statute
10 and the neutrality and/or Neutrality Act.

11 Q Then there is a portion that is redacted.

12 A Yes.

13 Q Can you tell us what that was?

14 A No, I have no idea.

15 Q Then, the subject is apparently --

16 A Then --

17 Q We do have this on the same subject, the
18 portion.

19 A Right, it says, "Provide some briefs to Griffin
20 Bell on Neutrality Act." I guess that is to Griffen Bell
21 when he was Attorney General, but I don't know. Then it
22 says "others which are non-public are available."

23 Then there it says, "AG," with an arrow to
24 Cooper, "Do a FOIA analysis. OLC will work with Criminal
25 Division."

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154

a: j

1 Q What did that mean, do FOIA analysis?

2 A I think that referred to -- well, I am not sure,
3 but my guess from looking at this is to determine if
4 OLC opinions are subject to FOIA. I don't know why one
5 would have that. But this here mentions non-public opinions
6 available. He probably said would these be discoverable
7 to the public under FOIA.

8 I guess they could have been implicating a number
9 of things. Either a FOIA request had been received or
10 this line, they were saying how would we draw the line
11 under FOIA for whether to make this public or not. That
12 may have driven the decision about what documents to
13 release.

14 Q All right. Going through the rest of these
15 in no particular order, we could mark this Exhibit 11.

16 (The document referred to was marked for
17 identification as Exhibit JR-11.)

18 BY MS. NAUGHTON:

19 Q Exhibit 11 appears to be actually a little
20 drawing of a balance of scales. One says arms to Iran; the
21 other scale says intelligence to Iraq. It is on white
22 stationery. Do you know who drew that?

23 A The handwriting looks like the Attorney General's.
24 I don't know if he drew this or not, but it looks like
25 his handwriting.

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UNCLASSIFIED
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155

1 Q At any rate you did not.

2 A No, I did not.

3 Q This could be marked Exhibit 12, please.

4 (The document referred to, was marked for
5 identification as Exhibit JR-12.)

6 THE WITNESS: This was found in his office, by
7 the way.

8 BY MS. NAUGHTON:

9 Q Exhibit 11 was found --

10 A In the Attorney General's office, or files, I
11 should say. I am not sure whether it was in his office
12 or in his files.

13 Q Showing you exhibit 12, then, which again is on
14 White House stationery, it says at the top, "any other
15 facts." Is that your handwriting or the Attorney General's?

16 A The Attorney General's.

17 Q Were you present when there was a conversation
18 to this effect?

19 A I don't think so. This entry says, "any other
20 facts." That is Number one. Number two, problems,
21 "broke no laws, defensive weapons." It is possible that
22 that conversation occurred the morning of the 25th and/or
23 at some point when I was either present or not. It is
24 not dated, and I know that this was, again, found in the
25 immediate offices of the Attorney General, either in

UNCLASSIFIED

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ap-18

156

1 there was nothing else to indicate what it was.

2 Q Were you involved in the document production
3 to the Select Committees?

4 A Yes.

5 Q And I take it then if this document was produced
6 to the Select Committees, it was thought to be relevant
7 to the investigation. In other words, this is not about
8 some drug case or something, is it?

9 A Well, we didn't know. When we found this,
10 when we looked at this, it said defensive weapons,
11 broke no law. We weren't sure what it meant, and it
12 wasn't in any particular file.

13 As I recall, it was in a pile of miscellaneous
14 material, so I am not sure.

15 I wanted to be sure to turn it over, anything
16 that was a question mark over.

17 Q The next exhibit to be marked is 13, please.

18 (The document referred to was marked for
19 identification as Exhibit JR-13.)

20 BY MS. NAUGHTON:

21 Q Directing your attention to Exhibit 13, then
22 says "Nicaraguan Angle."

23 A Yes.

24 Q "Contras funding."

-- A Yes

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157

1 Q Is this your handwriting?

2 A Yes.

3 Q Do you recall when that document was generated?

4 A It was generated, as I recall, over the course
5 of the weekend, probably Sunday night, because it was
6 clearly after the North interview. Because the
7 information contained in entry 1 is all post North
8 interview.

9 Q Okay.

10 A It might have been Monday, but this may have
11 been one of the things I was doing Monday. I would
12 bet it was Sunday night, though.

13 Q Were these notes done in a meeting, do you know?

14 A I don't think so. I think they -- I might have
15 been in a meeting, and I was writing this down on my own,
16 but this did not represent the discussions in a meeting.
17 This was representing my thinking and my organizing.

18 Q Did you show these notes to anybody?

19 A I don't think I showed them to anyone.

20 MS. NAUGHTON: If we could mark the next one
21 as Exhibit 14.

22 (The document referred to was marked for
23 identification as Exhibit JR-14.)

24 BY MS. NAUGHTON:

25 Q And Exhibit 14, then, is a document with a heading,

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158

bap-20

1 "Why? There is." Could you tell us when this document
2 was generated?

3 A This is my handwriting. I wrote it, I believe,
4 very late Saturday night or in the wee hours of Sunday
5 morning.

6 Q Did you write this at home?

7 A Yes.

8 Q And could you tell us what the discussion is,
9 I guess, you are having with yourself?

10 A Yes, that is right. I was writing down
11 possible reasons for some of the things that were going on.
12 One, more extensive relationship with Iran, which I guess
13 I am restructuring, but I think that simply means to the
14 greater strategic opening rationale, Iran strategically
15 located, all that sort of thing.

16 Number two, more extensive relationship with
17 Israel. I think that refers to the principal reason for
18 the initiative is trying to be cooperative and build our
19 bridges with Israel. As you can see, no weight assigned
20 to any of these theories, and they are marked, "theories."

21 Three, relationship with Nicaragua. Four,
22 cover own tracks, and this -- do you want me to read the --

23 Q Yes.

24 A The "cover own tracks" -- drew strict limits
25 vis-a-vis arms, but McFarland present, North, others,

UNCLASSIFIED

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159

b. 21

1 question mark, went beyond that, unauthorized agents in
2 September/November transactions.

3 Q These, I assume, are the 1985 transactions?

4 A Right. And this again, I showed these to no one.
5 These were me sitting down trying to think up what could
6 have led to all of this and the prospect was that the
7 President had, might have said no arms, but we will
8 explore the initiative and McFarlane and others went
9 beyond that and beyond arms in the things, and therefore
10 the September/ November transactions might have been
11 authorized by someone, but not the President, and that
12 they were trying now to cover their own tracks on the
13 September/November shipment in terms of authorization.

14 Number five, again, says, "Cover own tracks." Arms
15 deal with G, probably meaning Ghorbanifar, a loser, not
16 really with effective present prowess faction. That would
17 have -- I guess I was thinking there that it was
18 described as strategic initiative and that it was
19 described as strategic initiative and that sort of thing,
20 but it really turned out to be loser of the deal, not what
21 they expect, and now there was concern on that end.

22 Q You have a reference at page 4, September 1986
23 minutes. What is that a reference to?

24 A I wonder if that is a reference to the chronology.

25 Q It refers to minutes.

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160

1 A September -- what would have been in September 1986?
2 I don't know what that refers to.

3 Q I gather you did have your documents at home
4 with you. Were you looking through them as you were
5 writing.

6 A Gentlemen, I was flipping through the documents.
7 Entry four has a present footnote -- McFarlane and Shultz.

8 Q Number six says?

9 A Six, "Reasons for secrecy, Soviet anxiety."
10 Again, it refers to minutes, September 1986 minutes.

11 Q Okay. And finally, seven.

12 A Seven says, "Involvement of Vice President,
13 Regan, Casey, Poindexter, Tompson, CIA personnel [REDACTED]
14 [REDACTED]

15 Q What does that refer to?

16 A I don't know other than what it says. This may
17 have just been we should check the involvement of these
18 folks.

19 MS. NAUGHTON: Mark this Exhibit Number 15, please.

20 (The document referred to was marked for
21 identification as Exhibit JR-15.)

22 THE WITNESS: I should just say if I had known
23 these were going to be preserved for posterity's sake,
24 I would have written more extensive explanations and not
25 have put down -- I don't know if I would have put down all

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bap-23

161

1 these sort of theories, but anyway --

2 Q I am mostly concerned with identifying and --

3 A I would like to know myself. Okay. Exhibit 15,
4 this is my handwriting. I think that the bottom half of
5 this where I have got numbers 1 through 4 are questions
6 that I wanted to ask North, and which were jotted down
7 during the North interview when other people were question-
8 ing him.

9 I have checked, I have got a check mark of
10 things which I believe represent that I asked that question.

11 Q So this document was generated, then, sometime
12 Saturday?

13 A Sunday afternoon.

14 Q Afternoon.

15 A These are contemporaneous notes taken during the
16 interview. You need to ask North this. And, it looks
17 to me like the top half was some existing document, some
18 existing notes. The bottom half I had flipped open as
19 writing down during the interview.

20 Q The reference to [REDACTED] do you recall
21 what that is a reference to?

22 A What comes to mind is I believe that there was
23 some [REDACTED]

24 [REDACTED]
25 Q Provided to the Iranians?

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162

1 A Well, either they or the Iraqis. Probably the
2 Iranians. Very fuzzy recollection of something like that.
3 But I think it was [REDACTED]

4 The entry above is intelligence exchange, so I think that
5 is probably what it refers to.

6 Q Then there is a reference to Ghorbanifar money.

7 A Then present other lost money.

8 Q Then there is a parenthetical, Casey. Apparently
9 Weinberger, Shultz, Vice President.

10 A There is another entry here that says Nicaragua
11 angle with an arrow, and it lists North, Poindexter,
12 McFarlane, Regan, Thompson, RR. And to the right of that
13 is Secord. I have checked off in front of the names North,
14 Poindexter, McFarlane and Secord.

15 I believe that indicates those are people that
16 we knew about the Nicaraguan angle. Besides Regan, Thompson,
17 and R.R., I have got a bracket with a question mark.
18 That means we don't know what these three know.

19 Then there is a third-- second or third list
20 depending on how you are counting, says, "Casey, Weinberger,
21 Shultz, VP," with a bracket on the side. We don't know what
22 they know either.

23 Q Was Paul Thompson ever asked if he knew of the
24 diversion?

-- A I don't think he was.

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163

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1 Q Was there any discussion as to whether to ask him
2 or not to ask him?

3 A It was by time -- I think that it had well
4 moved away from finding out everyone at that level who would
5 know. I don't think there was that discussion.

6 Q Then there was a reference to see McMahon,
7 Secord, Cave. Are those people that should be interviewed?

8 A That's how I would interpret it now, but I don't
9 know.

10 Q Were these notes taken again on your own or
11 at a meeting.

12 A These were my random notes of -- I expect what
13 I did, probably have written down -- this is my guess in
14 trying to reconstruct these -- the top part of these were --
15 and I got a line drawn, top third, I think are things
16 I thought we might want to cover with North. I am
17 guessing.

18 When we covered certain individuals, we checked
19 them off. I checked them off. The bottom third I know
20 was covered-- I did during the North interview. The
21 middle third I am not sure about.

22 Q Okay. We could mark these two next in order, 16
23 and 17.

24 (The documents referred to were marked for
25 identification as Exhibits 16 and 17.)

UNCLASSIFIED

UNCLASSIFIED

bap-26

164

1 BY MS. NAUGHTON:

2 Q Exhibit 16 appears to be a document, not dated.
3 Three areas vulnerable, apparently.

4 A Yes.

5 Q Abbreviation. Could you tell us when that document
6 was generated?

7 A No, I can't.

8 Q Are these your notes?

9 A These are my notes, both 16 and 17. Sixteen,
10 three areas of vulnerability, and I have only listed
11 one, which are the TOWs, 508 TOWs and the Hawks. And
12 the problem listed no reporting, AEC a violation, or if
13 acquiesced, Hughes, Ryan, no finding. This is probably
14 Sunday evening. Could be earlier, but I think it is
15 probably then, sometime over the course of the weekend.

16 Q Okay.

17 MR. MCGOUGH: To which transaction, if any, does
18 that relate?

19 THE WITNESS: The number one? The TOWs and --

20 MR. MCGOUGH: TOW 508.

21 THE WITNESS: September/November 1985, those two
22 transactions.

23 BY MS. NAUGHTON:

24 Q Okay, and the next exhibit, 17, which simply
25 says, "Tell R.R., re Nicaraguan angle," right?

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ap-27

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165

1 A Yes. That is -- would have this after the North
2 interview. This would have been -- it is an obvious thing
3 to tell the President about it.

4 Q Well, do you recall first why you wrote that?
5 Firstly, did you write that?

6 A Yes, this is my writing. As I recall, I had
7 a legal pad and I flipped over and wrote down Exhibit 16,
8 three areas of vulnerability and started on one. I don't
9 know why I didn't finish with the other two, and flipped
10 the page again, and tell R.R. re Nicaraguan angle.

11 When this was found, I think when I produced
12 this stuff, they were the first ten pages of a legal
13 tablet, and so I assume pages were, as can be obvious
14 in reviewing them now, were scrap paper rambling thoughts,
15 that sort of thing. This is not a redacted document.
16 There is nothing else on the Exhibit 17.

17 The original of all of these, by the way, are in
18 the hands of the independent counsel.

19 Q Do you have any of your original documents in
20 the hands of the Wedtech either independent counsel or
21 held at the White House for the Wedtech independent counsel?

22 A Are any of them being held?

23 Q Yes.

24 A Not of my documents. Only Meese's spiral
25 notebooks.

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UNCLASSIFIED

bap-28

166

1 Q So all of yours are with the Iran Contra
2 independent counsel?

3 A Yes, except with the one category of the staff
4 meetings notebooks, I don't -- I am not sure where they are.
5 I think we have got them in our control room, but I am
6 not sure.

7 Q Now, were these exhibits, 16 and 17, taken at
8 meetings or again are they just your own thoughts?

9 A I don't recall. These may well have -- if
10 I were guessing, I would say they were probably taken
11 during team meetings where we sat down and sort of were
12 reviewing the bidding where we stood thus far.

13 Q And --

14 A They are probably my thoughts.

15 MS. NAUGHTON: If I could have these marked --
16 these exhibits marked Exhibits 18, 19 and 20.

17 (The documents referred to were marked for
18 identification as Exhibits JR-18, 19 and 20, respectively.)

19 BY MS. NAUGHTON:

20 Q Okay, I direct your attention to Exhibit 18,
21 which is at the top marked "508 TOWs." Is that your
22 handwriting?

23 A Yes.

24 Q Do you recall when you generated that document?

25 A No.

UNCLASSIFIED

UNCLASSIFIED

Jap-29

167

1 Q Was it sometime during the weekend?

2 A It might have been. I would tend to think, well
3 it was certainly after the North interview because of the
4 Nicaraguan angle mentioned, and it may have been -- this
5 may be why Exhibit 16 only has one area because here it
6 breaks out number 2 is 508 TOWs and, legal problems
7 with those number two is Hawk shipment, and, three, legal
8 problems with those.

9 Three is Nicaraguan angle. So that makes me
10 thing it might have been Monday. Could even have been
11 Tuesday. I would guess it was probably Monday.

12 Q Then four is criminal prosecutions.

13 A Yes.

14 Q And five says, "Secord."

15 A Yes.

16 Q Do you remember why you are listing those, what
17 do you have in mind when you put these things together?

18 A Well, I don't know. I didn't know Secord until
19 the North interview. That helps date it as well. It is
20 clearly sometime after that.

21 Criminal prosecutions was not on the table until
22 late Monday or Tuesday, as if that refers to the criminal
23 liability of the individuals involved in this. May be that,
24 I don't know. I think it would not refer to armed shipment
25 because I think I would have written those that way. I

UNCLASSIFIED

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bap-30

168

1 think it tends to refer to criminal liability of the
2 individuals involved in this.

3 Q And Exhibit 19, which is entitled, [REDACTED]

4 A That is my handwriting. [REDACTED]

5 Q Now is this pursuant to a meeting or is it
6 pursuant to just --

7 A I think this looks like just a scrap note of mine
8 because one of the entries shows the lunch time on Saturday.

9 Q What is the reference to [REDACTED] do
10 you recall?

11 A No.

12 Q And Exhibit Number 20?

13 A Twenty is also my handwriting. Miscellaneous
14 notes.

15 Q If I could look through them.

16 A Sure.

17 Q There is a reference to a date on the bottom,
18 21 November. Do you recall when all of these notes were
19 taken on the 21st of November.

20 A No, I don't recall that.

21 Q Okay. Let's start at the beginning, then.

22 A What makes me wonder, on the bottom left corner
23 it shows the Friday interview of McFarlane. That was the
24 21st, though. Right?

25 Q Yes.

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bap -31

169

1 A Maybe it was, I don't recall, though. I'm sorry.

2 Q The top says Sporkin.

3 A Right.

4 Q Upper right-hand corner an A.G. notes telephone
5 logs. Is that him instructing you to keep notes and
6 logs of weekend activities?

7 A I don't know. It might be, but I don't know.

8 Q Is there anything else that it could be a
9 reference to?

10 A Unless it is an instruction for me to check
11 notes or telephone logs, but I think that I would have listed
12 that differently. I think that is probably what it refers
13 to.

14 Q And then it says, "Monday."

15 A JRB.

16 Q That is Mr. Bolton?

17 A Yes.

18 Q It says A.G. -- some on hill.

19 A Re law.

20 Q What does that mean?

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21 A I don't know what that means.

22 Q Then A.G. call Poindexter, Casey, Regan, Sporkin.
23 What is that a discussion of?

24 A Well, it is in the margin from that it says,
25 Sunday talk shows." I think this was to make sure that no

UNCLASSIFIED
TOP SECRET

be 32

170

1 one from the Administration went on the Sunday talk shows
2 to talk about the Iranian initiative.

3 Q Do you know if those calls were made to --

4 A I think Meese called -- well, I think he called
5 Regan.

6 Q For him to call these people not to appear on
7 the talk shows?

8 A Yes. I don't think he called all of them. I
9 think it was just Regan. In fact, the Regan entry may
10 refer to the Sunday talk shows, and the other two just
11 to making -- that he wanted to make those calls, but I
12 don't know. This would, the next entry says, "Office
13 coverage for the OAG," which is our office on Saturday.
14 One with the AOG, one if the front office that refers to
15 our secretaries.

16 Q Moving down here, if you could decipher these
17 these notes for me.

18 A Okay, right here.

19 Q Yes.

20 A This is a circle in the bottom. It says,
21 "Bolton debriefing on Senate Intelligence hearings present."
22 Bolton was present, and he gave a debriefing on the
23 hearings during the meeting at 2:25 on that day.

24 It also says with Casey, present, CIA something.
25 Don't know what that says. It says, "Armacost, Armitage."

UNCLASSIFIED

UNCLASSIFIED

b7c 13

171

1 Then, it says, "dash, House present, will get
2 Hyde debriefed."

3 As I recall, he was not permitted to attend
4 the House Intelligence Committee meeting, and said he was
5 going to try to get debriefed by Congressman Hyde.

6 Q Do you know if that occurred? Did he later
7 report?

8 A I don't recall whether that happened or not.

9 Q If we could mark that exhibit 21, please.

10 (The document referred to was marked for
11 identification as Exhibit JR-21.)

12 (Recess.)

13 BY MS. NAUGHTON:

14 Q Turning to Exhibit 21, are these your notes?

15 A Yes.

16 Q Were they made on the 25th of November?

17 A Yes.

18 Q If I could look at it for a moment.

19 A Sure.

20 These were taken by me when I was going through
21 documents and in Thompson's office.

22 Q Okay, my question is the third entry says, "Ollie
23 memo in mid file. Ollie brought over last night."

24 Do you recall what that is?

25 A No.

UNCLASSIFIED

UNCLASSIFIED

172

p-34

1 Q Are you telling --

2 A I think the phrase, "Ollie brought over last

3 nigh," means that was a notation on the memo. Like Ollie

4 brought this over last night.

5 Q Do you know which memo that refers to?

6 A No.

7 Q Then the next reference is to JP memo to RR,

8 the 17th finding. Then, on the second.

9 A One of the things I found interesting that go

10 get Weir out revolutionary guard had to storm the building

11 and demand release of one hostage. It showed that they

12 aren't clearly in the pocket, but it is things like that

13 I thought were --

14 Q Now on the second page, there is --

15 A I corrected myself. It wasn't Khomeini dies,

16 it is Khomeini steps down on the 11 February. That was in

17 the plan.

18 Q On the second page it says Casey told 14 December

19 note. Do you recall what that is?

20 A Vaguely I do because there is a note in

21 there. It said something like Casey was told on 14th of

22 September-- didn't say what he was told, didn't say. It

23 said-- I can't remember precisely, but it said something

24 about Casey being informed about something on the 14th

25 of September.

UNCLASSIFIED

ban-35

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UNCLASSIFIED

173

1 Q Was this a handwritten note?

2 A I think, yes, it was.

3 Q Do you recognize whether it was Colonel North's
4 handwriting?

5 A No.

6 Q Did you ask anybody about that reference?

7 A No.

8 Q Did you get a copy of that note?

9 A No.

10 Q Did you get a copy of any of the documents that
11 you were shown by Mr. Thompson?

12 A No.

13 Q Have this marked Exhibit Number 22.

14 (The document referred to was marked for
15 identification as Exhibit JR-22.)

16 BY MS. NAUGHTON:

17 Q And Exhibit 22 is, again, 25 November, 6:40 p.m.,
18 press update guidance. I want to ask you on the second
19 page --

20 A This is my handwriting, by the way.

21 Q Thank you.

22 On the second page it says Weld, Secord, recently
23 criminal target.

24 A Yes.

25 Q Do you know was that the first time this was

UNCLASSIFIED

UNCLASSIFIED

bap-36

174

1 brought to your attention.

2 A Yes.

3 Q Secord had been a criminal target before.

4 A Yes. I think he referred to, as I remember,
5 an investigation in late 1979.

6 Q Okay, did he say what about?

7 A Well, it remains in my mind something to do with
8 Wilson, but I don't remember if he mentioned it at this
9 point or if I heard that later.

10 Q Okay. If we could mark this Exhibit 23.

11 (The document referred to was marked for
12 identification as Exhibit JR-23.)

13 BY MS. NAUGHTON:

14 Q The front page of Exhibit 23 says please note
15 that the attached document was typed prior to March 15,
16 1986.

17 A Yes, sir.

18 Q And the second page is a memo to the Attorney
19 General from MAM. Who is that?

20 A That is Marlee, M-A-R-L-E-E, Melvin. She was
21 confidential assistant personal secretary to the Attorney
22 General and this came out of her files. She is now a
23 special assistant. This came out of her files that she
24 maintained when she was confidential assistant, and so
25 page 1 indicating that it was typed prior to March 15, that

UNCLASSIFIED

UNCLASSIFIED

175

bap-37

1 is the date she changed jobs. So we deduce it was typed
2 while she was back in the --

3 Q Excuse me. When did she change jobs?

4 A It was in March of 1986. Probably early March,
5 but we --

6 Q And if you could please just read that short memo
7 she typed.

8 A Says EM, it is on Office of Attorney General
9 stationery. "EM, Oliver North's office said you agree
10 with Admiral Poindexter to see North today? Do you want
11 to meet with him after judicial selection at White House
12 and delay your departure for home? Or what? Meeting
13 should last 15 to 20 minutes. Contact Fawn at 395-3345, MAM,
14 12:30 p.m." Then there is a handwritten notation which
15 is Meese's handwriting says, "4:55, A with a circle,
16 Roosevelt Room, 4:50."

17 I would interpret that to mean Meese met him
18 ahead of judicial selection 5 o'clock in the Roosevelt room.

19 Q Do you recall when this judicial selection was?

20 A No, they are normally on Thursdays.

21 Q Did you ask Ms. Melvin about this note?

22 A I did. She didn't have any -- it was not with
23 anything that would assist in determining what it meant
24 or what it was or when it happened.

25 Q All right, if we could mark this as Exhibit

UNCLASSIFIED

UNCLASSIFIED

176

bap-38

1 Number 24.

2 (The document referred to was marked for
3 identification as Exhibit JR-24.)

4 BY MS. NAUGHTON:

5 Q Exhibit 24 is a document on the front of which
6 says, "This document cannot be dated nor can subject
7 matter to which it was related be recalled." Did you
8 draft this cover?

9 A I don't think so. I think that was done by
10 lawyers in the Office of Legal Counsel. But it might have
11 been done by one of the lawyers on our staff.

12 Q Do you know whether it refers to the statement
13 "nor can the subject matter to which it was related be
14 recalled," does that -- who doesn't recall it? In other
15 words, who was queried? Do you know who was queried as
16 to whether they could recall it?

17 A I don't know. I might have asked the A.G. if
18 this meant anything to him, but --

19 Q The second page, for the record, is on American
20 University stationery.

21 A Right, apparently Office of the President.

22 Q Right. And the notes regard Adnan Khashoggi,
23 Robert Shaheen, S-H-A-H-E-E-N, and McFarlane has not seen
24 the memo of 20 March.

25 When you asked the Attorney General about this

UNCLASSIFIED

UNCLASSIFIED

bap

177

1 did he recall this document?

2 A I don't know that I did. I probably did, but
3 because I tried to go through the unidentified notes
4 with him. I don't think he recalled it.

5 Q Do you know whose handwriting that is?

6 A No.

7 Q Was this found in this file?

8 A I know it was found in our office, I think. I
9 don't think it was in any particular file.

10 Q Do you know on what occasion that was at the
11 American University.

12 A No.

13 Q Other than what is an apparent from the page,
14 do you know anything about that?

15 A No, no idea.

16 Q Okay. If we could mark that, please, Exhibit 25.

17 (The document referred to was marked for
18 identification as Exhibit JR-25.)

19 BY MS. NAUGHTON:

20 Q The cover of Exhibit 25 says, "This document cannot
21 be dated nor can subject matter to which it is related be
22 recalled."

23 The second page of the document is on White House
24 stationery.

25 A Right.

UNCLASSIFIED

UNCLASSIFIED
UNCLASSIFIED

p-40

178

1 Q Could you read the note?

2 A Yes, it looks like the Attorney General's
3 writing, and it says maybe we should contract the job out
4 to the Israelis.

5 Q And do you know when that document was generated?

6 A No, I don't. We had one other -- the drawing of
7 the scales -- it is in the Roosevelt Room. The pads on
8 the tables are plain, so this would not be in the
9 Roosevelt Room meeting. I don't know what they do in the
10 Sit Room where they have the NSC meetings. It may be they
11 use these pads down there, and this was written and showed
12 to someone during a meeting.

13 Q Did you ask the Attorney General about that?

14 A I believe I did, and I don't think he recalled
15 anything about it.

16 Q And the next -- finally, believe it or not,
17 Exhibit Number 26.

18 (The document referred to was marked for
19 identification as Exhibit JR-26.)

20 BY MS. NAUGHTON:

21 Q Okay, 26. Is that all in your handwriting?

22 A Yes.

23 Q Now, the top reference is Casey, Poindexter and
24 brackets, and says, "misstatements to Congress/."

25 A It means Senators. S-E-N-S.

UNCLASSIFIED

UNCLASSIFIED
TOP SECRET

-41

179

1 Q Do you know when that document was generated?

2 A No. Although it is at the bottom, it is dated
3 24th of November with a lunch time. Then 1:30 to the
4 White House VP at 1:40.

5 My best estimate would be it had been done that
6 Monday the 24th. I don't know. I don't recall that.

7 Q The reference to Poindexter and Casey misstatements
8 to Congress, do you recall was this note taken during
9 a meeting?

10 A I don't recall.

11 Q Do you know when you wrote it down, what you
12 were thinking?

13 A No. I gather, trying to think back on Monday,
14 information learned over the weekend have been different
15 from information provided Friday, and that probably is
16 what it refers to, but I don't recall.

17 Q Was there a discussion at any time during the
18 weekend? Let's start with Thursday and work through
19 Tuesday; that there was a possible violation of law in
20 that Casey or Poindexter may have made misstatements to
21 Congress.

22 A No. There was no discussion about possible
23 violations of the law from that being done.

24 Q Was it discussed regardless of whether there was
25 violation of law that they had made misstatements.

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b-7-42

~~UNCLASSIFIED~~ ~~SECRET~~

180

1 A I don't recall any discussion about there
2 having been misstatements to Congress, no.

3 Q You can't recall what made you write that note?

4 A No.

5 Q Did you read the transcript of the Attorney
6 General's deposition?

7 A No. I read the first paragraph of the deposition
8 with you, I guess. That is the only one I know of.

9 Q Yes. Do you know anybody who read it other
10 than the Attorney General?

11 A No. Steve Matthews may have read it, but I
12 don't know for a fact. I provided it to him. He is
13 keeping custody of some of those things.

14 Q Okay, those are all my questions. Thank you
15 for your patience.

16 EXAMINATION ON BEHALF OF SENATE SELECT COMMITTEE

17 BY MR. MCGOUGH:

18 Q Do you ever recall seeing Colonel North in the
19 Attorney General's office or visiting the Attorney General
20 at his office.

21 A No, but the one meeting that apparently occurred
22 which was January 6, 1986, was before I was Chief of Staff,
23 so I would not-- I would not know -- be in a position to
24 know that and to keep track of that. After March -- really
25 effective February of 1986, but in officially first part

UNCLASSIFIED

ap-43

~~TOP SECRET~~
UNCLASSIFIED

181

1 of March of 1986 I was Chief of Staff, and I would have
2 known.

3 Q There were references very early on in the
4 deposition to [REDACTED] and one that you believe
5 you saw. Was it only one that you can recall seeing
6 or might there be more than one?

7 A There might have been more than one, but I only
8 recall one.

9 Q Can you put any kind of time frame on it? I
10 believe they were talking about the fall of 1985 as being
11 possible -- do you recollect it being in the fall of 1985?

12 A No.

13 Q Could it have been in 1986?

14 A It could have been 1986.

15 I took on new duties in March of 1986, as I
16 said, but I kept the [REDACTED] on portfolio for several months
17 until it just became -- I just decided to put another
18 lawyer on it, and get them trained up. I think it was
19 certainly months before that occurred, and even still it
20 was possible, as I recall. I tend to recall this as a
21 rush sort of rush job, and on various sensitive or very
22 urgent things.

23 They would come, might come to my office, I
24 would handle it personally.

25 Q Do you ever recall being contacted by anyone

UNCLASSIFIED

UNCLASSIFIED

cap-44

182

1 outside the Department of Justice with a request that
2 a [REDACTED] be expedited?

3 A Yes, well I was not, but I recall one incident
4 where such a call was made and Bill Casey called the
5 Attorney General about having expedited a [REDACTED]
6 and I spent Friday night until 1:00 in the morning with
7 Webster's guy, and then met Meese at the White House
8 Saturday morning early. He was at a breakfast or something
9 and got that down.

10 Q Do you recall did that relate at all to either
11 Iran or Nicaragua?

12 A I just don't recall. I don't remember what
13 the subject was. I could try to go and pick it out, but
14 I don't recall the subject.

15 Q Do you recall any time frame on it..

16 A Well, I know I still lived in McLean, but that
17 doesn't help us much. That means it was before January of
18 this year. So, no, I don't really.

19 Q Do you remember where the Attorney General was
20 the next morning.

21 A He was at the White House Hostage -- a coffee and
22 doughnuts for a group that --

23 Q Was this an irregular enough occurrence to help
24 you fix it?

25 A Yes, sir. If it appeared on a schedule, it may

UNCLASSIFIED

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ap-45

183

1 well appear on a schedule, but it was probably some group
2 like Junior Statesmen or he does a lot with them. There
3 are several youth groups, kids coming in, interns and
4 that sort of thing. It may have been one of those.

5 I tend to think it was the Westpoint cadets maybe
6 in 1986, be my guess. I might be able to track that down.

7 Q If you could track that down.

8 A I will make a note.

9 Q Other than that incident where Mr. Casey called
10 to expedite [REDACTED] can you recall any
11 other learning or any other cases where someone attempted
12 to expedite [REDACTED]

13 A Well, by calling Meese or me, no. There were
14 a number of instances where client agencies were upset or
15 the FBI was concerned with the time lag and [REDACTED] is a good
16 example, RPA.

17 Q Let's narrow it down. Do you recall learning
18 of any calls from NSC regarding [REDACTED]?

19 A I don't think -- I don't recall any. I don't
20 recall it out entirely, but I don't recall any. I did
21 not receive it, I am sure.

22 Q At one point in talking about the fact findings
23 weekend, you referred to the Iranian initiative or the
24 subject of your investigation as I have it written down in
25 quotes. the topic of special interest. almost as if that

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184

bap-46

1 were a code or designation that was used as a term of art.

2 Does that term have any significance?

3 A No.

4 Q It was just the way you said it.

5 A Iran initiative was the term of art.

6 Q You mentioned that the only person you believe
7 you mentioned or you spoke to at the Iranian initiative--

8 I'm sorry, of the diversion, during the course of the
9 fact finding weekend or up in the press conference was

10 Ken Cribb. Was the Attorney General aware that you had
11 told Ken Cribb about it?

12 A Yes, Cribb joined us as my recollection. He
13 joined us at this 7:30 meeting on that Monday the 24th.

14 Q Was aware of you told Ken Cribb, that you were
15 going to tell Cribb.

16 A I don't think so.

17 Q Did that create any problems from the Attorney
18 General's standpoint?

19 A No, I may have told -- I may have told Meese I
20 will brief Ken tomorrow morning. But I don't know. Ken
21 and Meese were very close. Ken was my superior, and there
22 was -- that was not a surprise to Meese. He may have known
23 it in advance, but it would not have. It was anticipated
24 that Cribb would join the deliberations and the activities
25 the next day.

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hap-47

185

1 Q Did the Attorney General ever chastize either you
2 or anybody in the group of four for what he perceived to
3 be dissemination of the information about the diversion?

4 A No. Not that I ever heard.

5 Q Did it ever come to your attention that there
6 was-- did it ever come to your attention there was a
7 possibility that a member of the press had the story of the
8 diversion on the night of Monday, November 24th?

9 A No.

10 Q To your knowledge, did any member of the press
11 have information about the diversion?

12 A No.

13 Q That evening?

14 A No.

15 Q To your knowledge, when William French Smith
16 was Attorney General, was there a formal listed procedure
17 for findings being submitted to the Department of Justice?

18 A Well, I can answer based on the conversation
19 I had about a week ago with Mary Lawton, as I understand it --
20 the rule with Smith was that they would come to the
21 Justice for clearance, but there was a continual back and
22 forth to be sure that they did.

23 Q To your knowledge, did Attorney General Meese
24 attempt to reassert that rule when he became Attorney
25 General?

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186

ap 48

1 A To my knowledge, he did not. In fact, when I
 2 handled findings, which I think I mentioned, I handled
 3 two of them as Chief of Staff, it was not something he
 4 expected, and just recently a couple of weeks ago whenever
 5 I talked to Mary, he said, "You find what the findings
 6 process and what the department's role is because--" So I am
 7 pretty sure he did not assert any formal role in that,
 8 although he sits on the National Security Council, and
 9 there has been a continual desire on his part to increase
 10 the formal participation of the department in national
 11 security matters, so that their legal ramifications are
 12 considered more routinely.

13 That is normally resisted by NSC. I don't know
 14 that that -- generically the answer is, yes, but I don't
 15 think it ever rooted itself out in terms of saying I want
 16 the finding to come here first.

17 Q At one point you referred to the Presidential,
 18 President's alleged prerogative in the field of foreign
 19 affairs as being, I think you put it, arrangement of last
 20 resort in the context of the Iranian initiative and
 21 finding, or lack thereof. Was it discussed in those terms
 22 by the Attorney General and your group?

23 A No, it was put in, I should clarify, because it
 24 was put in terms of what authority, what legal authority
 25 can be relied upon for the President to undertake this

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UNCLASSIFIED
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bap-49

187

1 activity, and there is explicit authority given certain
2 processes in certain other statutes.

3 Q The Arms Export Control Act and National
4 Security Act being two of them?

5 A Yes, sir, covert action, for example, Hughes-
6 Ryan you have to have a finding, but there is a school of
7 thought depending on which activities you are talking
8 about, that certain statutes, notwithstanding the President
9 has inherent constitutional authority to undertake
10 certain activities on behalf of the United States in the
11 conduct of foreign policy or other areas, and that if a
12 statute had been violated, just one thing that is discussed --
13 well, there is the President's inherent authority obviously,
14 if you have that up against a statute, it is difficult, more
15 difficult arrangements to make.

16 For example, there is a school of thought which
17 I happen to adhere to that the War Powers Act is an infringe-
18 ment of Presidential authority and the notations and that
19 sort of thing, so that is what I am referring to. There
20 are things that the executive branch out of comity had
21 tried to activate its practices to because they think
22 they are good ideas or that sort of thing and because it
23 is the law, but if push came to shove, there may be certain
24 circumstances where in spite of a statute, the President's
25 constitutional authority might be a basis for action.

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Cap-50

188

1 Q Was that theory discussed in connection with
2 specifically Iranian initiative?

3 A It might have been mentioned, but the principal
4 area of focus was where these laws complied with and, if
5 not, we have got a violation of the law.

6 Q To the best of your recollection, did anyone
7 say it wouldn't be a violation because the President has
8 inherent authority to sell arms outside?

9 A No, I was thinking this more in terms of if
10 this had been an authorized diversion of -- funds had been
11 authorized by the President, what would the legal posture
12 be, and this being one possibility, but it didn't
13 receive great attention because it wasn't-- we found out
14 immediately it wasn't authorized, and I think it might
15 have been in the conversation with Cooper as opposed to
16 Meese.

17 Q I have to ask this question. Was Oliver North
18 shredding documents while you were present in the NSC?

19 A No, he was not.

20 Q Can you state--

21 A I am glad you asked.

22 Q Somebody had to ask.

23 A He was not. He was in the room with us almost
24 the whole time, excuse me.

25 Q Can you state with some certainty that North was

UNCLASSIFIED

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ap-51

189

1 or did not shred any documents anywhere in your vicinity
2 during the time that you were there?

3 A Yes, I am certain. I am certain he did not.

4 Q Do you know where the shredder was located?

5 A Yes.

6 Q How far away from you?

7 A May I even draw you a map?

8 Q Yes.

9 A It won't be to scale.

10 Q Why don't we put an exhibit sticker on it and
11 mark this as the next exhibit.

12 (The document referred to was marked for
13 identification as Exhibit JR-27.)

14 THE WITNESS: Okay.

15 BY MR. MCGOUGH:

16 Q Just describe what we have got with Exhibit 27.

17 A There was a small suite of offices. Brad and I
18 were sitting at the conference table in Ollie North's
19 office. Ollie North was behind his desk. Outside his
20 office was another small office, two secretarial desks, a
21 few cabinets. Then there was a small room off to the
22 corner, with more file cabinets and the shredder, coffee
23 machine up on top of the table cabinets. Then in the main
24 office where the second door to the hall and Xerox machine,
25 and then over in this corner where I have got wash marks

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hap-52

190

1 is a stairway up to the second floor.

2 We are probably not more than a dozen feet or
3 20 feet from the shredder. Ollie did not leave the office
4 more than a couple of times that I recall, a couple of
5 three times. I went with him to the coffee machine.
6 He wanted to --

7 Q Did you go with him purposely to keep an eye
8 on him or just was it a coincidence that you went with him.

9 A The principal reason for my end of things was
10 I didn't want him to serve me coffee. I just soon as do
11 it myself. So I walk over there with him.

12 Q You didn't feel a need to keep an eye on him
13 when he walked out of the office.

14 A No, no, not particularly. But, anyway, we went
15 back in there. I saw the shredder. I saw the shredder
16 again when we were looking at some of the files. The
17 bag was half or three-quarters full, but Brad, Ollie was
18 in the office with us most of the time.

19 Brad, from where he was sitting, could see the
20 entrance to a little room with the shredder. It is a very
21 small room. He would have known if Ollie had taken anything
22 in there. Both of us would have heard the shredder if it
23 had been turned on because we have a shredder, and I shred
24 my documents-- I shred some of my things myself. But
25 I am very familiar with what the shredder sounds like.

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p-53

191

1 He has the same kind of shredder we have in our
2 office.

3 Q Could you tell whether this shredder was
4 operatable at that time?

5 A I couldn't tell. There was shredded paper in
6 the bag. It is a see-through bag underneath. I don't
7 know whether it was working or not. That shredder did
8 not go on while we were in the office. I am practically
9 certain of that. The only conceivable thing is if he
10 had slipped out with one sheet of paper and it had a two-
11 second blast, I think we would have heard that as well.

12 I don't think he had any intention of shredding
13 documents while we were there, to tell you the truth.

14 Q Have you discussed your recollection with
15 Mr. Reynolds?

16 A Yes, sir.

17 Q And?

18 A He is even more firm in his view than I am. He
19 says he was sitting in a position where he could see Ollie
20 enter the room. There is no way he took a document in there
21 to shred it. I think he was confused. He was doing it on
22 another occasion.

and
Thomas
:30 Cantor

23 Q Exhibit 8 -- I can show you my copy -- this is
24 going to be a quick question. One of the notes that you
25 passed to Brad Reynolds, you underlined the word "should,"

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bap-54

192

1 in the sentence, "If anything should turn up to be missing..."
2 Was there any reason for emphasizing the "should?"

3 A I think the way I would look at that now, I didn't
4 think anything was, so I emphasized if anything should be
5 missing, this would be better. I had no basis to think
6 anything was missing. I guess that is why I underlined
7 it to let him know just on the outside chance that we had
8 had a problem or misplaced something.

9 Q Am I correct in my time sequence that Colonel
10 North arrived for the first time as you were leaving
11 for lunch?

12 A Yes.

13 Q Did you keep a log or a list of the documents
14 that you wanted to have copied? I noticed partially
15 Exhibit 8 appears to be a partial log.

16 A It was not for that purpose. I did not keep a
17 log for the purpose of copying. I had intended after we
18 got back to the department to put together a log of
19 documents actually copied, but I didn't get to that in
20 the series of other events.

21 Q In the course of the fact-finding weekend, up to
22 the time of the Attorney General's press conference, do you
23 recall any discussion of the possibility that documents
24 would be destroyed or altered?

25 A None.

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193

bap-55

1 Q When you were briefed by Mr. Reynolds on Mr.
2 Green's conversation with him, did Mr. Reynolds tell you
3 that Mr. Green did not want or suggested that no disclosures
4 be made of the initiative because of potential danger to
5 people involved?

6 A Well, I recall Brad mentioning that he did not
7 think that the initiative should be disclosed.

8 Q Now, he, being, Green?

9 A He, being Green, because there were things we
10 didn't know or something like that, but I don't recall
11 it being linked to individual safety, but you know,
12 Brad took notes of that discussion and was present, so
13 my recollection is not very much firmer on that.

14 Q Did Mr. Reynolds indicate to you that he had
15 indicated to Mr. Green in any way that the initiative or
16 the diversion would not be disclosed until they got back
17 to Mr. Green?

18 A I don't recall that it may not. I don't recall
19 at all.

20 Q You said you were briefed, I believe, in the
21 conversation at the same time as the Attorney General?

22 A I think that's right, yes.

23 Q At the point when-- can you put a time frame on
24 that when you were briefed on that conversation?

25 A It was either at lunch or at that meeting at the

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bap-56

194

1 end of the day, the 8 o'clock meeting on Monday, because
2 Meese was out of the office late morning until lunch time,
3 and then he was gone again from 1:40 until 4:30 or 5:00.
4 I recall that. Whenever that meeting occurred, the
5 next session we were together I think he debriefed.

6 Q At the time Mr. Reynolds made or briefed the
7 Attorney General on the meeting with Green, did the
8 Attorney General indicate any inclination either to
9 release it publicly, the information publicly, or not to
10 release it publicly?

11 In other words, you had Mr. Green saying, "Please
12 don't release this information." What was the Attorney
13 General's reaction to that?

14 A I don't recall any specific reaction.

15 Q To your understanding, had a designation been
16 reached at that point to release the next day?

17 A I don't think -- I mean one had not been
18 communicated to me. I expected that there would be an
19 announcement imminently.

20 Q When did you first realize that the matter was
21 going to be announced at the time it was?

22 A Tuesday morning.

23 Q Did anyone consult or were you present at any
24 discussions or involved in any discussions of whether to
25 release it on Tuesday morning or Tuesday afternoon or to

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E 57

195

1 hold it for a few days?

2 A At the 8 o'clock meeting with Regan and Meese,
3 etcetera, they were talking in terms of making it public
4 that morning.

5 Q Were you present during that meeting?

6 A Yes.

7 Q And can you recall what the course of the
8 conversation was about the pros and cons of releasing
9 it that day as opposed to --

10 A It wasn't that type of discussion. The
11 discussion that Regan said, as we have talked, "We will
12 go down and see the President. We will have Poindexter
13 resign. We will present the President with the following
14 plan for sequence for events."

15 "The Congress, at this time, we will have a news
16 conference where the President will make a statement.
17 You will then brief the press. We will have a special panel
18 appointed to look into this," and they through out a
19 couple of names. It was that kind of thing, and this is
20 what they were going to go in and talk to the President
21 about as a plan of action.

22 I gather that the decision was actually made with
23 the President at 9 o'clock.

24 Q Moving to a little later that morning, when you
25 were assigned or asked to make a determination as to

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bap-58

196

1 when a memo had gone to the President, when there had been
2 a Presidential approval, how much time did you consume
3 doing that?

4 A I wasn't asked to make that determination, but
5 it was to check the files and make sure that people's
6 memory that nothing had gone forward to the President
7 was not contradicted by a document.

8 For example, you might have seen -- I mean there
9 are documents in there where Poindexter writes, "brief to
10 the President orally," and dates it and signs it, and
11 Meese wanted to make sure that there was neither a formal
12 signature document or a document like that in the main
13 files. So it was more of a double-check to be sure we
14 don't have one of these in there.

15 Q And how long did you have to do that?

16 A Probably an hour would be my guess. I got the
17 clear impression, though, that they were not going public
18 until he heard back that there was no such document.

19 Q But you also got the impression, did you not,
20 that there was some urgency?

21 A Oh, no question, no question. In fact, I think
22 I knew the general time sequence by then.

23 Q The answer to this question is obvious, but did
24 you make any attempt to contact Colonel North and ask him
25 if he had followed up on his offer on Sunday to check the

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bap-59

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197

1 files.

2 A None.

3 Q Why not?

4 A This was clearly beyond Colonel North at this
5 point. I was asked to check. North knew of no such
6 document when he was asked. We saw none in his files, and
7 I was asked to search the principal filing system.

8 Out of common sense, I wasn't going to call
9 North at this point and ask him if that had been done.

10 Q But he had stated --

11 A Yes, he did say he would check. I don't know
12 if he checked or not.

13 Q The point is no one ever got back to him.

14 A No one ever got back to him and I did the
15 checking Tuesday morning.

16 Q Did you ever tell anyone at the White House,
17 including Colonel Thompson, that Colonel North had said
18 he was going to go back in the files and look for exactly
19 that type of document.

20 A No, I don't think I did.

21 Q We can agree that the type of document that
22 Colonel North said he was going to look for on Sunday
23 afternoon was exactly the type of document you were looking
24 for on Tuesday morning.

25 A Yes. His actually probably was a more narrow

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bap-60

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198

1 category of Presidential approval. I was looking for not
2 only that, but if it could have even been in a briefing
3 paper that had been given to or orally presented to the
4 President as a information matter.

5 Q I am a little unclear on Exhibit 5. This is
6 the one where somebody is covering their tracks. I was
7 a little unclear as to who they were, who was covering
8 their tracks. This is Exhibit 14.

9 Who was covering who's tracks in item Numbers
10 4 and 5?

11 A. Well, I am not clear myself. In four I would
12 guess either McFarlane, North or Shultz. I would probably
13 think the same, McFarlane, North in Number 5.

14 In other words, whoever had been responsible for
15 the initiative, a failed initiative, or for an initiative
16 as in Item 4 that had exceeded their authority, so that is
17 probably the universe of people that I would be contemplating,
18 McFarlane, Poindexter, Shultz, North.

19 Q Just one quick look, and I think I am done.

20 BY MS. NAUGHTON:

21 Q Can I ask one question?

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22 While Regan and Meese were discussing on Tuesday
23 morning what has turned out to be the Tower panel --

24 A Right.

25 Q --who were the first names that were suggested?

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bap-61

199

1 A Oy, boy, let me think.

2 Q Was Ron Brzezinski?

3 A I think so. I want to say Ann Armstrong, as well,
4 but I don't know. I know she is on PFIAB Pifabs.

5 Q At the time, were either Mr. Tower, Senator
6 Muskie or Mr. Scowcroft suggested?

7 A I just don't recall. The conversation was
8 something like, "and will announce the formation of a
9 special board with people like Brzezinski or Tower or
10 Armstrong." I don't really recall. The names were not
11 particularly central at that point. I don't really
12 know who picked them. I guess the President.

13 MR. MCGOUGH: That is all I have.

14 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

15 BY MR. BUCK:

16 Q I need to rehash the events of November 22 real
17 quick. When did you arrive at the NSC, particularly at
18 North's office?

19 A I think that was late morning. Let me see if I
20 have it.

21 Q Refer to Exhibit 2.

22 A You know what is going to be helpful is the list
23 of -- well, yes, when I arrived is different than when I
24 actually started the document review, because Exhibit 8,
25 it says 12:05 document starts, so that is when I actually

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bap-62

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200

1 sat down and started taking these notes. Also at the top
2 of Exhibit 8, it says, "arrived approximately 11:30,
3 Paul WBR to JR to North's office met Bob Earl."

4 Let me see if this exhibit sheds more light on
5 it. No, there is no mention of it in Exhibit 2. That
6 is my best guess there. It was late morning.

7 Q Let me get this straight. You arrived in
8 North's office around 11 o'clock?

9 A No, I think we arrived at the White House around
10 11:30, met Poindexter, headed over, talked about the
11 documents that we wanted. Earl brought them out and we
12 actually settled down to me taking notes at 12:05.

13 MS. NAUGHTON: You just said you met Poindexter.

14 THE WITNESS: I'm sorry, I meant Thompson, thank
15 you.

16 BY MR. BUCK:

17 Q When did you meet North?

18 A It was as we were leaving for lunch. We had
19 left the office and it was probably -- and he was probably
20 10 feet away from the door on the way out.

21 Q I have got you at a lunch at 1:45, so you left
22 for lunch maybe about 1:30?

23 A Yes, I would say, a little later.

24 Q About an hour and a half of document review
25 before you went.

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bap-63

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201

1 A Yes.

2 Q Were you aware that the shredder, which you have
3 described in North's office there was not functional?

4 A No. I don't know whether it was or not.

5 Q At what point in time did you notice the shredding
6 machine? Did you notice it in the morning or the
7 afternoon?

8 A I don't know. I am sure I saw it after lunch
9 when North and I went into the -- in to make coffee, but
10 I probably noticed it upon arrival, when Earl was pointing
11 out the different files and the drawers were ajar.

12 The shredder was right next to him, so I
13 probably noticed it then.

14 Q Were you aware of a second shredding machine
15 just outside of North's office?

16 A No.

17 Q And North was there when you returned from lunch?

18 A Yes. Earl might have opened it. North might
19 have been at his desk, but he was definitely in the office.

20 Q I take it North could have shredded documents while
21 you were out on lunch.

22 A Yes.

23 Q Do you know how long a period that was?

24 A It would have been about an hour and a half,
25 roughly.

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bap-64

202

1 Q Do you recall seeing North at any time leave
2 the office that you were in with him, with documents?

3 A No.

4 Q And you said he left maybe a few times?

5 A A couple of times I would think. I know once
6 to do the coffee. I don't think he ever left with
7 documents in hand. He was working at his desk, but
8 there was very little paper on the desk. He was reading
9 a newspaper, on the phone. I mean he didn't seem to be
10 going -- he was not going through files or great volumes
11 of paper.

12 Q Did Thompson stop by and accompany North anywhere?

13 A Not that I saw.

14 Q Did you see anything that would suggest that
15 North was shredding at any time that you were in his
16 office?

17 A No, nothing.

18 MR. BUCK: I have no more questions.

19 (Whereupon, at 7:50 p.m., the deposition was
20 concluded.)

21

22

23

24

25

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21 NOV 86

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21 Nov 86

STAFF MTG

1

Weld: How long Ab to carry legal load alone — various Acts involved.

JRB: Focus Cooper, etc — as develops

Weld: CRM Div. needs to be informed for impact on other cases

1



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5624

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Fri. 21 Nov 86

9 ¹⁵ -10 ⁴⁵ am	AG, MB, WBR, CJC, JR	AG ofc
11 ³⁰ -12 ¹⁵	AG, Regan RA, Regan, Poin, AG	WH
12 ⁴⁰ -12 ⁴⁵	AG, TE, JR (press inquiries)	DOJ
12 ⁴⁵ Lunch	AG, WBR, CTC, JR	DOJ
1 ⁴⁵ -2 ¹⁵	AG, Webster	AG ofc
2 ²⁵ -2 ⁵⁵	AG, WBR, JRB, CJC, TE, JR (bottom debut intell. hearings)	AG ofc
2 ⁵⁵ -3	AG, Poin. (telephone screen)	
3 ³⁰ -5 ³⁵	AG, CTC, McFarlane	AG ofc.
6 ²⁵ - 6³⁵	AG, CTC, WBR, JR (JRB present 6 ³⁰ -6 ³⁵) (CJC out 6 ⁴⁵)	

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20 NOV 86

20 Nov 86

~ 9am

AG, CTC, JR
(brief discussion)

AG ofc

12⁰⁰-1¹⁵ LunchAG, CTC, WBR, JRB
JR

AG dining rm

1³⁰ - ~3³⁰ pmAG, CTC, and
Casey (CIA Gen Coun #)
Poindexter, Thompson, North

WH

Richardson
Eth. B. T. ~
7-22-87
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5825

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Sat, 22 Nov 86

8-9²⁰ am

945-10 am

10 am -

AG, CJC, Shultz, Charlie Hill

AG, CJC

AG, CJC, JR, WBR

AG ofc

AG ofc

Lunch 1⁴⁵-3¹⁵

AG, WBR, CJC, JR

old exhibit

7¹⁵

JR, WBR depart NSC ops.

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Sun.

23 Nov 8610⁰⁵

JR/WBR at NSC ofc.

12⁰⁰ - 2 pm

AG, CJC, WBR, JR

AG ofc2¹⁵ pm - 5⁵⁵ pm

AG, CJC, WBR, JR, North

AG ofc

(4⁰⁵ AG out)
(until 5⁵⁵ pm).

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Mon. 24 Nov 86

7²⁰ - 7⁵⁰ am

AG, WBR, CJC, TKC, JR

12⁰⁰ - 1³⁰ Lunch

AG, WBR, CJC, TKC, JR (ok)

00

1⁴⁰ VP

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25 Nov 86

6⁴⁰⁻⁴⁵ am
 7³⁰⁻⁴⁵ am
 ~ 8¹⁵ on 8⁰⁰

AG, Casey
 AG, Poin.
 AG, Regan, CJC, JR
 Thomas, Wallison

Casey residence
 AG ofc

9 AG, RR, Regan
 9³⁰ " " " , Poin.
 10¹⁵ Cabinet ~~briefing~~ briefing
 11 Cong briefing
 12 press briefing.

2⁰⁵ pm

AG, Webster, AIB, CJC, JR
 TKC, WBR (SST joined at 2²⁰)

AG ofc

6⁴⁰ pm AG, AIB, SST, TKC, WBR, CJC, JR
 Wed, JRB (Konten til 6⁵⁰)
 - Hill update + press update
 - Legal issues (orm Lieb.)

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14 Nov 86

2-2¹⁵

Ledern/Alr

AG ofe.

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21 NOV 86

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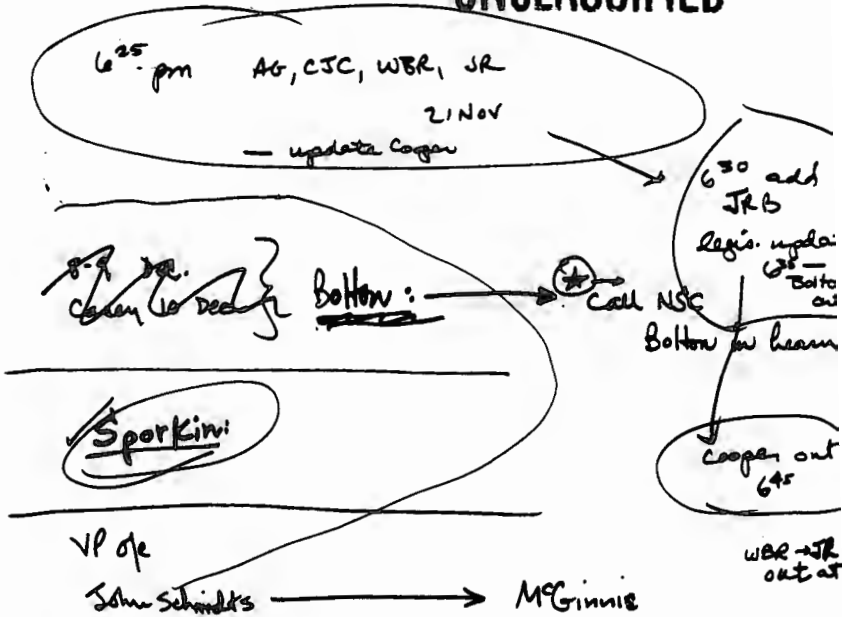
21 NOV 11³⁰ - 12¹⁵12³⁰ h3⁰⁰ - 5⁴⁵ MCF6-7⁴⁵ - group

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5626

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Shultz
Casey

Weinberger

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21 NOV 86

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①

(21 Nov 86)
(entry date)

1. Meeting on 21 Nov 86
~ 9¹⁵ - 10⁴⁵ am in AG's ofc.
AG, AIB, WBR, CTC, JR

AG → JR: detailed log of AG mtg parties.
(~~these, the following entries~~
~~are ~~not~~ included from schedule~~).

2. Meeting on 21 Nov 86
11³⁰ am — at WH
AG, Regan; then AG, Regan, RR.
11³⁰ - 12¹⁵ RR, Regan, Ponderer, AG

Iran ~~Relationship~~
Situation.

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3. Lunch on 21 Nov 86

AG, CTC, JR, WBR,



Lunch 21 Nov 86
12⁴⁵ —

AG, WBR, CTC, JR:
Iranian Set.

5627

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UNCLASSIFIED*21 NOV 80**Reconstructed from the schedules, notes
+ memory**(to p. 2)***UNCLASSIFIED**

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2

(21 Nov 86) (entry)

Reconstructed events from AG
Schedules, notes, memory20 Nov 86: ① ~9 am (after Staff Mtg.) in AG ok.
Thurs - brief discussion AG, CTC, JR② Lunch at 12⁰⁰ - 1¹⁵ pm in AG Dining k
AG, CTC, WBR, JR, JR③ Mtg at WH, 1³⁰ - ~3³⁰ pm
AG, CTC, others: Casey
CIA etc
Poindexter
Thompson
North
Brake?19 Nov 86: ① ~9 am brief discussion in AG ok
Wed AG, TKC, CTC, more (!)
then AG call to Poindexter② [Bolton reminds re: DOT legis strategy]
(only fgy only)③ [5¹⁵ - 6 pm desk time]
AG on telephone: fgy18 Nov 86: ①
Tuesnon-relevant
+
classified

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21 NOV 8612⁴⁰ - 12⁴⁵

AG, TE, JR

→ Press stories/inquiries
and appropriate response, if any

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3

(21 Nov 86)

17 Nov 86: ① none
Mon14 Nov 86: ① [by: defect error]
Fri.

② [by: Buchanan lunch at WH]

③ Mtg Gerson 1⁵⁰-2⁰⁰ pm
Atr, Gerson in Atr ofc④ Mike Ledeen mtg w/Atr
2-2¹⁵ in Atr ofc: Atr/Ledeen

⑤ and

15 Nov 86
Thurs

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UNCLASSIFIED 25 NOV 86

25 Nov 86

6³⁵ am AG/JR drive from AG residence to Casey residence
 6⁴⁰-7⁰⁰ am AG meet w/ Casey
 - receives + returns call from Regan
 7-7³⁰ AG/JR in car
 - ag calls Poindexter to meet at AG ofc
 7³⁰-7⁴⁰ am AG/Poindexter mtg in AG ofc
 7⁴⁰-7⁴⁵ AG/CJC/JR mtg
 7⁴⁵ AG/CJ/JR depart for WH.
 8⁰⁰ am Regan, AG, JR, CJC, Thomas,



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[AG rec'd call from Peres + said Israel
 did ship 508; \$ pd directly by
 Diamans to Amer. Co. acct - + only
 told Diamans the amt -
 (+ probly the acct #)
 jk/ro

(5628)

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25 Nov 86

Log

25 Nov

At to Casey resid

~ 6³⁰ am - 7⁰⁰

(5629)

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22 Nov

22 Nov 86 AG ofc
 9⁴⁵ - 10am. AG, CTC then
 IR, WBR join AG, CTC (AG ofc)

SO AG, CTC, WBR
 10am -

~~AG, CTC, WBR~~

22 Nov 86

AG, Charlie Hill, Shultz, CTC
 8-920 am



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5630

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03.31.86

Exhibit 8 pages 1 through 6

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TOTAL

2: 10: 56

5631

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new #20. Hechler Nov 86 cable re: use of [REDACTED] *page*

21. File: HOSTAGE'S RAFSANJANI [REDACTED]

→ 5000 TONS offered to Iran by US firm
thru intermediaries.Iran making efforts to get TONS thru
illegal arms shipments — Nov 85 —.

22. Hizballah:



23.

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by K. Johnson, National Security Council(K)— rec'd call f/Israeli — code talk...
Berman — mention — [REDACTED] —
— [REDACTED] —lots come
lots not.
most sent
not, to S.
talking.

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23. North to London to meet [REDACTED] 13 Nov 8:

↳ assumed name: "Jonathan Jones"

24. Clane, Gates, Sporkin That Sun. at Draft it at DC,
Finkley

Kilburn - FBI
DEA

Gaddafi -

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Are we going, possibly, to
be open to attack if we
take custody, out of NSC,
of these documents?

eg. if anything should
turn out to be missing?

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We could use tonight to
catch up w/ Chuck —
+ I can come here
early in am to finish
this — then meet you
guys later in day.

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Sun 10⁴⁵ (JR):

[AG: current conv. Nir — release, I am get no out of this.]

86 Memos:

26 July 86. (see Casey attach - draft)

29 July 86

[North conversation SR/WBZ → refer to mtg notes —
transc. 

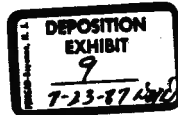
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CIA info = John McG 24 Nov 86

- Rumors at CIA, extra \$ paid to So Transport + funneled to Nicaragua
- CIA did not use So Trans — in this transaction (anything on Iranian ships)
- All anaymnts NSC but
 - Nov 85 [REDACTED] Hawks
 - Nov 86 replenishment Tows [REDACTED] (CIA paid)
- Fair mkt value:
 - DOD best source
 - CIA knows what paid DOD
- NSC paid (or intermediary of Israelis, etc) for Southern Airways.

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29 Oct 86

29 Oct 86

STAFF MTC:

1

Coopers Ltr + IC request—
we just asked for more
specific information, if any,
and review.

• TS TE: put out press
advisory that not a
"preliminary investg." —
get the record straight.

Wall: Let's just get word out.

TE: We'll be sure certain large
media know it.

Cooper: Lots in OLC on both
trigger IC act and the
Neutrality Act.

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1

5633



Provided some briefs to Griffin
Bill re Neutrality Act —
others, non-public, are available
Ltr to Hill not given.
do FOIA analysis —
OLC to work w/CRM.

At → Cooper:

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L. Richardson
Ev = 11

DENIED IN
TOTAL

5634

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No Date

THE WHITE HOUSE
WASHINGTONI. Any other facts ?II. Problems

"Broke no laws"

"Defensive weapons"



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Nicaragua angle: contra funding ^{NO DATE} UNCLASSIFIED

1. People who know:

- North (Jan 86)
- Poudexter (Jan 86)
- Secord (?)
- McFarlane (Apr or May 86)

2. People who may know:

- Regan (per North, present in any RR bryngs)
w/ Poin.
- Thompson

3. People who could know:

- RR
- VP
- Casey (North says no one at CIA knows)
- Shultz
- Weinberger
- others?



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No late

①

Why? theories

1. More extensive relationship with Iran.
2. More extensive relationship with Israel
3. Relationship with Nicaragua
4. Cover own tracks —:
 RR drew strict limits vis-a-vis arms —
 but MCF, (North, others?) went beyond
 that — unauthorized agents in
 Sep/Nov transactions. (notes MCF; Shultz)
5. Cover own tracks —:
 arms deal w/ G a loser, not really with
 effective (pro-West) faction — (p. 4, Sep 86 min)
6. Reason for secrecy: Soviet anxiety. (p. 7 Sep 86 min
 p. 10
 p. 16)
7. Involvement of: VP, Regan, Casey
 — Polk., Thompson, CIA personnel 



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- intell. [redacted] North
 ✓ Rindorfer
 ✓ McFarlane
 Reagan
 Thompson }
 RR
 Casey
 Wein
 Shultz
 VP
- NO DATE
 ✓ second [redacted]
- ① Nicaragua angle →
- Gorbanifar & (others lost #)
- Others in Iran arms deals with allege U.S. involvement w/ Israel on other deals
- Southern Air Transport

See: McMahon
 Second.
 Cave

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★ dk Second NEXUS
 So Air Trans.

Why McF
 resign



on trip
 - McF: KUB at home?

1. — did tour go to [redacted] (don't know)
2. — McF 5085 → when asked: equivocal
 Haines → when asked: [redacted] does not recall
 Who would have known? approved? specif. authoriz.
3. — CIA involvement: — Sep 85 quote — nature CIA involvement in No.
 — viewpoint: hostage related exchange — CIA pay second
 — intelligence exchange. — second arrange plane.
4. — Nicaragua — Second know

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NO DATE
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3 areas vulner

① TOWS 508 / Hawks

- no rept AECA viol.
- or if acquiescence:
- Hughes-Ryan - no finding.



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1- Tell RR re: Nicaraguan angle.



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NO DATE

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1. 508 Tows
 Arms Control Export Act
 Nat. Sec. Act
 1
2. Hawks
 ACEA
 NSA Act
 Hughes Ryan
3. Nicaragua angle
4. Crim. prosecutions.
5. Secord:



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NO DATE
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March 1955 - 3'5

AB, WBR, CSC
JR

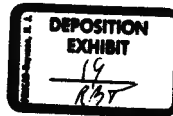
Why?

Iran
Israel

Iraq/
USSR

Nicaragua

protect oil.



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Sparkin

NO DATE

AG: notes
telephone logs

~~Sparkin~~

Monday: JAB

② AG → some on Hill re: Law.

① → AG (call) Poindexter / Casey / Rosen - Sam talk shows

→ off coverage OAG Sat.

1 w/AG

1 front of

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CK: JRB - new Cong activity
(next wk)

205-3-
AG - Poindexter

21 Nov 76

5643

~ 2:25 pm - 2:55

AG, WBR, JRB, CCH, JR, TE

AG ofc

Bottom debriefing on
- Senate Intel Reams (present)
- Casey (CIA) (present)
- House (will get file later)

AG
2:505
AG ofc
OP
Gm

AG Webster 145-2's

21 Nov.

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25 NOV

520,
or
50Notes from Tucson
look thru form: Thompson

25 Nov

- and third parties - added to 17 Jan 86
- Tab I (transmitted memo JP to LR 8/6 Jan funding not in pkg)
- Olie memo - in mid-file -
Olie brought over last nite
- JP memo to LR 17 Jan
- indicates



- talk pgs bkgnd to McD, Rodman
Cochet, Thompson, Ross, North

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- 3,30,2 Aug 85
bud + Kionche



- "rows owed to des by Wain release"
- Khomeini steps down "ref"

- ~~Ref~~



5844

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Casey said told 14 Sep (note)

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25 Nov 88

6⁴⁰ pm press update/guidanceAG, TKC, AB, SST, WBR, CSC, JR, Weld, ~~JB~~
JRBKonten out at 6⁵⁰.

— Hill update:

— Legal review update:

— appropriations limitations:
only possible problem is
pricing per Economy Act -
DOD to CIA - and CIA's
transfer at same
price is possible
difficulty



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[stretch — probably OK]

— criminal liability:

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• mail/wire fraud conspiracy
(§ 371) to viol. other laws.
of US (even not crim
laws. (unlawful and
or unlawful means.

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(2)

• Police arrests -
papers filed in transmittals

⑧ [all turns on North authority] →
 general
 center
 authority

AK: 3^d country solicitations

Word: Second recently CEM
 target

3207 contacts

Threat (if give spread).

15 mfr 86

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Please note that the attached document was typed prior to March 15, 1986.



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U.S. Department of Justice
Office of the Attorney General

The Attorney General

EM:

Oliver North's office said you
agreed with Admiral Poindexter
to see North today?

Do you want to meet with him
after Judicial Selection at the
White House, and delay your
departure for home? Or what?
Meeting should last 15-20 minutes.
CONTACT: Fawn at 395-3345.

MAM
12:20 p.m.

455 @
Ross Rm

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NO DATE

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it was related be recalled.



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President

AK = Adam Khashoggi

RS = Robert Shahan,
Khashoggi's assistantMacFarlane has not seen the
name of 20 March

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4400 Massachusetts Avenue, N.W., Washington, D.C. 20016

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*5648*

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~~UNCLASSIFIED~~THE WHITE HOUSE
WASHINGTON

Maybe we should
contract the job
out to the Israelis

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no Date

Casey: } mis-statements to Cong./Sens.
 Poindexter: }

24 Nov 1245-130
 lunch

130 to WH —
 VP 100 —)



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ORIGINAL

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TRANSCRIPT
OF PROCEEDINGS

HSIC 022 87

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UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

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DEPOSITION OF ALFONSO ROBELO C.

4129

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by K. Johnson, National Security Council

Washington, D. C.

Thursday, April 23, 1987

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UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF ALFONSO ROBELO C.

Washington, D. C.

Thursday, April 23, 1987

Deposition of ALFONSO ROBELO C., called for examination pursuant to notice of deposition, at the offices of the Senate Select Committee, Hart Senate Office Building, Suite 530, at 10:00 a.m. before JOEL BREITNER, a Notary Public within and for the District of Columbia, when were present:

RICHARD PARRY, ESQ.

Associate Counsel
United States Senate
Select Committee on

Secret Military Assistance
to Iran and the Nicaraguan
Opposition

901 Hart Senate Office Building
Washington, D. C. 20510

KENNETH R. BUCK, ESQ.

Assistant Minority Counsel
House of Representatives
Select Committee to Investigate
Covert Arms Transactions with
Iran

H-419, The Capitol
Washington, D. C. 20515

ROBERT A. BERMINGHAM, Investigator
House of Representatives Select
Committee

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2

C O N T E N T SWITNESSEXAMINATION

Alfonso Robelo

by Mr. Parry
 by Mr. Bermingham
 by Mr. Parry
 by Mr. Buck
 by Mr. Parry

3
 59
 61
 62
 66

E X H I B I T SROBELO DEPOSITION NUMBERIDENTIFIED

Exhibit 1

31

Exhibit 2

32

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3

1
2 Whereupon,

3 ALFONSO ROBELO

4 was called as a witness and, having first been duly sworn,
5 was examined and testified as follows:

6 EXAMINATION

7 BY MR. PARRY:

8 Q First, Mr. Robelo, I would like to thank you for
9 coming in today. It has been completely voluntary, there has
10 been no subpoena, and we appreciate the full cooperation that
11 you have given the House and Senate Select Committees in this
12 investigation.

13 Before we start, I would like to explain that you
14 are giving your testimony under oath; the reporter will take
15 down your testimony and transcribe it. You will have the
16 opportunity, if you want, to review your testimony once it
17 has been transcribed, and make any corrections or if there
18 have been typographical errors or if you were misunderstood,
19 you can point that out to us if you choose to review your
20 testimony.

21 Please, just try to answer the questions as
22 accurately as you can. If you don't understand a question,

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1 let us know and we'll do our best to clear it up.

2 Can we start with your general background. You
3 are presently a director of the United Nicaraguan Opposition;
4 is that correct?

5 A Yes. May I say just a few words? My native
6 tongue -- my native language is not English. I do think that
7 I speak it fluent enough to answer anything, but if I make
8 any mistakes, if there is something you don't understand,
9 please say so, so everything will be clear. Okay? I don't
10 need an interpreter, obviously, but I wanted to make that
11 clear, because there may be a lot of mistakes there.

12 My present position, I am a member of the
13 directorate of UNO; UNO is the acronym for the United
14 Nicaraguan Opposition.

15 Right now, there are two directors, is Pedro
16 Joaquin Chamorro, and myself. There is one vacant seat.

17 The director of UNO is the top executive authority
18 that has control on both the military and the political
19 struggle for the liberation of Nicaragua.

20 Q Does UNO incorporate the entire Nicaraguan
21 resistance movement at this time?

22 A No, sir. There are two other groups that are

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5

1 outside UNO that are of a certain importance. There are more
2 than two, but two that are of importance.

3 One is the southern opposition block, in Spanish
4 is called BOS, B like in boy, OS.

5 And then the Indian group called Misurasata.

6 Q BOS and Misurasata, neither group has
7 representatives in UNO; is that correct?

8 A For the time being, no. There are conversations
9 at this time to include it in what will be the Nicaraguan
10 resistance, we hope.

11 Q I would like to briefly touch on these two
12 groups. BOS, the southern opposition block, who are the
13 leaders of that group; do you know?

14 A They have a five-member directorate, but at
15 present the -- I will say the key leader is Alfredo Cesar,
16 and, in Misurasata, the key leader is Brooklyn Rivera.

17 Q Are either of those groups presently engaged in
18 military activities?

19 A Yes. According to what I know, both have minor
20 military activities inside Nicaragua.

21 BOS has about a [REDACTED] men, maybe [REDACTED]
22 [REDACTED] and Misurasata may have up to [REDACTED] inside. And both

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6

1 of these organizations did receive aid in the last \$100
2 million aid package. Each one of them got [REDACTED], each.
3 So it is [REDACTED] each.

4 Q Do they coordinate in any way with the larger
5 military forces of the FDN?

6 A No, sir.

7 Q Or the southern group?

8 A Well -- Misurasata does not. BOS operates in the
9 same region of Nicaragua, in the southern part of the
10 Atlantic Coast. And, due to that, yes, they do coordinate
11 with the southern front of UNO.

12 Q In addition to your position as director of UNO,
13 you also have your own political party; isn't that correct?

14 A Yes, sir. In March of 1978 I founded a political
15 party in Nicaragua with other young professionals in
16 Nicaragua, and I have been president of that party since the
17 foundation.

18 The name of it is MDN, which stands for Movimiento
19 Democratico Nicaraguense. That party is part of UNO, that is
20 an alliance, and has been part of UNO since we organized UNO
21 in June of 1985.

22 Q Does the MDN have any military functions?

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1 A No, sir. The MDN is a political party with no
2 military structures. There are members of the MDN who have
3 -- who are fighting inside Nicaragua, but, as part of other
4 forces like FDN forces, or in the southern front of UNO. But
5 the MDN, as such, has no military activities and no military
6 structure.

7 Q So the MDN is purely a political body?

8 A Yes, sir.

9 Q Do you have any involvement or are you a leader of
10 any of the military factions?

11 A According to UNO bylaws, the top authority in any
12 area of the struggle, any branch of the struggle, is the
13 directorate. So, according to the bylaws, I do have
14 authority and responsibilities. The fact is that, because of
15 my experience, which has always been in the civic-political
16 struggle, I have been kept fairly well informed of what is
17 going on. I, a few times, have looked at reports and budgets
18 about the military part. But I don't get involved in any of
19 the actual direction or the -- direction of the military
20 part. I am devoted mostly to political activities.

21 Q Do you have -- other than your general authority
22 over military operations as a director of UNO, do you have

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1 any particular affiliation or communication with the forces
2 in the south? The forces that are not part of the FDN?

3 A Not on any regular basis. Whenever I occasionally
4 see the people inside there, I do talk to them but not on a
5 regular basis.

6 In the past, when the southern front was commanded
7 by Fernando "El Negro" Chamorro [REDACTED] I
8 had more regular contacts. But not formal contacts. But we
9 did talk to each other more frequently.

10 Q Yes.

11 A He left several months ago, about, what, maybe
12 seven, eight months ago. Since then the contacts with any
13 people in the south have been more irregular.

14 Q What was the name of Fernando Chamorro's group, or
15 military unit?

16 A It has two acronyms. It is UDN-FARN. UDN-FARN.
17 The "UDN" stands for Union Democratica Nicaragua,
18 I think it is, which is the political branch of his
19 organization. FARN stands for Fuerzas Armadas
20 Revolucionarias Nicaraguenses; the Revolutionary Nicaraguan
21 Armed Forces. That is the military branch that was part of
22 the southern front under his command.

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9

1 Q Were you ever affiliated with UDN-FARN?

2 A No, sir.

3 Q Maybe we should go back and trace your political
4 affiliations.

5 Starting with the formation of the MDN in 1978 and
6 going through the revolution and your present position, could
7 you just briefly describe your various political leadership
8 positions?

9 A Yes, sir. As I said before, MDN was founded in
10 1978, in March of 1978. We became instrumental, and we were
11 the binding force to a larger coalition of political, labor
12 and private sector organizations that was called the "Broad
13 Opposition Front."

14 This broad opposition front was very important in
15 the overthrowing of Somoza.

16 I was instrumental to strike against Somoza, and
17 became involved in the insurrections against Somoza.

18 Due to my involvement in the broad opposition
19 front I was also a member of the political commission that
20 took -- that was involved in the mediation of the OAS in
21 September of 1978. When the final insurrection against
22 Somoza took place in June-July 1979, then I was invited to

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10

1 discuss the formation of the governing junta as a
2 representative of my party, the MDN. And I did join and
3 became one of the five members of the governing junta of my
4 country, Nicaragua, from July 19, 1979 to April 22, 1980,
5 when I stepped down and resigned and became active in civic
6 activities inside Nicaragua, as the president of my party,
7 the MDN.

8 Q Stop there for a minute. Why did you resign from
9 the governing junta?

10 A I was fully committed to the original principles
11 of the Nicaraguan revolution, being effective pluralism;
12 nonalignment in foreign policy and a well defined mixed
13 economy.

14 It was clear, as time went by, that these
15 principles were betrayed by the key force in the revolution
16 that controlled all the weapons, that was the FSLN.

17 So, due to this betrayal of the key principles,
18 due to the clear detour of the revolution out of these
19 principles and became more totalitarian linked with the
20 Communist regimes, became more Communist, controlled by the
21 Marxist-Leninist, I decided to step down. I saw there was no
22 role for me inside the government.

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11

1 Q You referred to the FSLN, that's the Sandinista
2 party?

3 A Yes. Called the Frente Sandinista de Liberacion
4 Nationale; FSLN, what is known as Sandinistas, now.

5 Q So, in 1980 it became apparent that they were
6 controlling the country and that they had their -- they were
7 opposing a totalitarian, Communist form of government and
8 that's the reason you stepped down from the junta?

9 A That is correct.

10 Q Where did your activities take you from there?

11 A I stayed inside Nicaragua, in civic opposition to
12 the totalitarian Sandinista regime, for almost two years,
13 until in March of 1982. The emergency law was imposed on the
14 Nicaraguan people by the Sandinista regime. This emergency
15 law put censorship on the press and on the -- on radio, the
16 television was a monopoly of the Sandinistas, and political
17 activities of parties were not allowed. I thought this had
18 closed, so much, the space inside Nicaragua, political space
19 inside Nicaragua, and on top of that my house was attacked by
20 mobs and I wasn't allowed to leave the country. Several
21 times they stopped me at the airport and there were several
22 attempts to kill me. So I decided to go to exile in Costa

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12

1 Rica, with the key leaders of my party and to set the key
2 structure of my party, the MDN, in exile in Costa Rica.

3 I left Nicaragua the 23rd of March of 1982 and I
4 have not returned since then, to Managua. In exile in Costa
5 Rica, we set up our own organization, tried to contact
6 members and do the usual political activities that a party
7 does and we became, also, members of an alliance called ARDE,
8 where the key military leader was Commander Pastora,
9 P-a-s-t-o-r-a, and I was the key political leader in ARDE.

10 For a period of one year, until May of 1983, all
11 our struggle was civic -- or political, I should say. There
12 was no military activities under ARDE.

13 Q Can I interrupt there?

14 A Yes.

15 Q Were there military activities taking place
16 elsewhere? For instance, in the north, at that time?

17 A Yes, sir. The FDN although I don't know if it was
18 called FDN at that time, but there were forces in the north
19 operating since March of 1982. In fact, the state of
20 emergency was "decreed"?

21 Q Decreed?

22 A -- decreed by the Sandinista government because of

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1 some military actions that took place inside Nicaragua, which
2 showed the presence of these forces, military forces,
3 operating in the north.

4 Q Did you have any knowledge of who organized the
5 military forces of the north?

6 A Well, I do have now because it is public to an
7 extent.

8 It was a group of Nicaraguans, some of them former
9 members of the national guard and some former Sandinista
10 combatants that were already also disillusioned in --
11 disillusioned with the regime in Nicaragua. And they
12 received some help from the United States government and some
13 from some [REDACTED] military men.

14 Q Did ARDE, or the MDN, receive any help from the
15 United States, [REDACTED] or other foreign countries, during
16 this period March of '82 through May of '83?

17 A Military? From [REDACTED] nothing.

18 From the United States sometime in May or June of
19 1982, through Commander Pastor [REDACTED]

20 [REDACTED] I think it was in May.

21 [REDACTED] we started receiving some financing [REDACTED]

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED] money was permanently given to us
9 until May-June of 1984 when two things occurred: one, the
10 U.S. Congress cut off the aid after the mining of the ports
11 [REDACTED] and the manual, the CIA manual; and, two, due to
12 the reluctant attitude of Commander Pastora to join forces
13 with the north, we split. He kept the military forces that
14 were inside Nicaragua, and I kept the political activities
15 that were under my responsibility. I got in contact with
16 Adolfo Calero, and the Indians [REDACTED] to create an
17 umbrella organization that was called, at that time, UNIR,
18 U-N-I-R. And that is the origin of what is now known UNO;
19 that evolved and was founded in June of 1985 [REDACTED]

20 Q So there was a period from June of '84,
21 approximately? Is that when you broke up with Pastora?

22 A Yes.

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1 Q Until the formation of UNO, that you functioned as
2 an umbrella group under a different name, the UNIR?

3 A Yes. It was not as effective as UNO is now. It
4 was very loose. We didn't have offices or anything. It was
5 more a type of coordination, but the umbrella existed on
6 paper but did not exist in reality.

7 Q Throughout the period of your direction of ARDE,
8 what was the role of the MDN?

9 A Well, the MDN was the key political force in
10 ARDE. We did have a few members that got involved in
11 military activities in ARDE. By the way, the military
12 activities in ARDE started in May of 1983. Okay? But the
13 key role of the MDN was responsible for political activities
14 and the standing by political activities, publications,
15 seminars, missions to touch base with foreign politicians and
16 political parties; trying to group and organize the
17 Nicaraguan exile communities, et cetera.

18 MR. PARRY: Can we go off the record for a
19 second.

20 (Discussion off the record.)

21 BY MR. PARRY:
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Q Did you have any knowledge of how Mr. Pastora was procuring his arms, his weapons, during this time period?

A It was being mainly provided by the CIA.

Q And the money that he received was for food and clothing? Is that what it was?

A It was mainly for food, transportation, the whole apparatus of vehicles, and they did buy a few things here and there that they thought that they could do better than the agency like some radio equipment and some sophisticated equipment or things like that.

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1 Q How large was the military force of ARDE during
2 this period?

3 A At the peak, that must have been May-June of 1984,
4 Commander Pastora claimed to have about [REDACTED] fighters
5 inside Nicaragua. And he had control about of half the San
6 Juan River, that is the river that serves as a border between
7 Costa Rica and Nicaragua.

8 Q [REDACTED] did you receive support or did you
9 have contact with other representatives of the United States
10 government?

11 A Usually I will have contact with the American
12 ambassador as well as the political attache in the embassy.

13 In the beginning the ambassador was -- is it Frank
14 or Fred MacNeil? Ambassador MacNeil, whichever. And then it
15 was Ambassador Curtin Windsor. I had contacts and discussed
16 political matters and sometimes, also, the operation of the
17 help [REDACTED]

18 Q Any contacts with the NSC or with the White House
19 during this time period?

20 A With the NSC, I did meet -- what was his name? --
21 A gentleman that now works with the Washington Times who was
22 in charge of Latin American policy there. A French name that

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1 I don't recall.

2 (Discussion off the record.)

3 BY MR. PARRY:

4 Q Just before our break you were mentioning an
5 individual from the NSC that you had contact with during the
6 period prior to June of 1984.

7 A Yes, sir. Now I recall, his name is Roger Fountain
8 and that is the first person from the NSC that I met.

9 Later on, when the Kissinger Commission visited
10 Costa Rica in early 1984, I also met Colonel Oliver North and
11 he asked me to call him next time I was in Washington.

12 Q Is that the incident where he passed you a note in
13 a reception line?

14 A Yes. Yes. I was shaking hands with the people
15 that was inside the room: Dr. Kissinger, Ambassador
16 Kirkpatrick and others, and I shook hands with this gentleman
17 I didn't know and there was a piece of paper between his
18 hands and my hand where he has written "next time you are in
19 Washington please contact me, my name is Oliver North," and a
20 phone number and it was very embarrassing because I had to
21 shake hands with the next one and I didn't know what to do
22 with the piece of paper that was in my hand so I had to move

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1 it and put it in my pocket.

2 Q So that was your first contact with Oliver North?

3 A That was my first contact. I don't think I
4 contacted him in the next trip to Washington but in some of
5 my trips to Washington I did contact him. This must have
6 been in the middle of 1984 and I did pay several visits to
7 him during the second half of '84 and '85 and '86.

8 From July-August of '84 until sometime in the
9 middle of '85, if I don't recall it wrong, when there was no
10 U.S. aid, I asked Adolfo Calero to keep on providing funds to
11 cover the expenses of the political activities of ARDE, in
12 Costa Rica. Being part of this UNIR, that is the first
13 umbrella organization. And this was very awkward and very --
14 it bothers me because, being a political leader, getting
15 money from another political leader in Nicaragua, had the
16 effect of subordination to another Nicaraguan political
17 leader, Adolfo Calero.

18 So, because of this I complained to several people
19 that I wanted to get some direct assistance and in several of
20 the meetings with Colonel North we discussed this and he
21 expressed that he will look and see if he could help me --
22 help us out; "us" being, mainly, the political movements, and

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1 organization that has stayed with me in the split with
2 Commander Pastora, that took place in May of 1984.

3 Q Can we go back to that split?

4 A Yes, sir.

5 Q Your political organization split off from
6 Pastora's military organization. Then there was -- you
7 subsequently were united with other military organizations;
8 is that correct? Fernando Chamorro's group -- how did that
9 come about? Was he under Pastora and did he join your
10 faction that split from Pastora?

11 A In ARDE, at the beginning, there were six
12 organizations. Some of them stayed with Pastora. Some of
13 them split into factions, and some of them stayed with me.

14 The ARDE political, that stayed with me, was my
15 own party, MDN, "Negro" Chamorro's organization as a whole,
16 UDN-FARN; a labor group that split, half of a labor group
17 that split called STDN, and a Christian Democratic
18 organization that also split, and part of it -- most of it
19 stayed with me in the political activity.

20 So, at that time from May of 1984 until UNO was
21 formed in June of 1985, these four organizations became part
22 of ARDE and one of them, UDN-FARN, did have a military branch

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1 but had very, very little military activities.

2 Q So you retained the name "ARDE" after the split
3 with Pastora; is that correct?

4 A The split was such that there were two ARDEs. He
5 had the name "ARDE" and we had the name "ARDE," both had the
6 same names. This was very confusing.

7 Q And I take it the funding you received first from
8 Adolfo Calero had, subsequently, through Colonel North -- was
9 intended for your entire organization, both the political and
10 the small military unit of Fernando Chamorro's?

11 A Not exactly. The one we received from Adolfo
12 Calero, yes. It was intended to maintain the four
13 organizations that stayed with me that had mainly political
14 activities and a little bit of military activities under
15 Fernando Chamorro.

16 The second part, the ones that I received after my
17 conversation with Colonel North, were mainly to be divided
18 into two organizations only, not four. Two organizations:
19 MDN and UDN; both being political. Okay?

20 Q And the UDN, again, was under Chamorro?

21 A Yes, sir.

22 Q But it was his political activity?

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1 A Yes.

2 Q Okay.

3 A Because there was humanitarian aid coming already
4 for whatever small activities we had [REDACTED] and the
5 humanitarian aid was enough to take care of the military
6 branch under him called "FARN."

7 Q In terms of their food and --

8 A Food, clothes, medicines.

9 Q Do you know during this time if they received
10 additional weapons or ammunition and how that was paid for?

11 A They could have received some small lots of
12 ammunition, coming from private people. But let me make --
13 let me state that part of the commanders of Pastora, in May
14 of 1986, came back to UNO. UNO had been formed already, and
15 they came back to us and they had -- the forces have
16 diminished from [REDACTED] to maybe [REDACTED] active and they were
17 very badly equipped.

18 Sometime after that, I think the first one being
19 in September of 1986, there were several flights.

20 Q September of '86? Or '85?

21 A '86.

22 Q '86?

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1 A '86.
2 Q Just this past year?
3 A Yes, not too far away.
4 Q All right.
5 A Several flights took place in the second half of
6 '86. Let's put it that way. And they were mainly military
7 logistics, going inside Nicaragua for the southern front.
8 Q Did you have any communication with the private
9 benefactors, the persons making these air drops inside
10 Nicaragua?
11 A No, sir. I was informed only, a posteriori, about
12 everything that they received. And in general terms,
13 general.

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20 Q Okay. You didn't have any role in communicating
21 what was needed in terms of military supplies for these
22 drops? You were just told after the fact that drops had been

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26

1 made?

2 A No, sir. I had nothing to do with the
3 implementation or anything.

4 Q Do you know who would have? Would Fernando
5 Chamorro have communicated the needs of the military?

6 A Logically it will be either him or someone under
7 him.

8 Q Do you know who he communicated with?

9 A I could imagine it would be someone from the CIA
10 [REDACTED] but --

11 Q You are just guessing. Did he ever indicate to
12 you who it might be?

13 A No. I wouldn't know for a certainty.

14 Q Is there anything to make you believe that the CIA
15 would have been the intermediary in communicating that
16 information?

17 A Yes. I think the fact [REDACTED]
18 [REDACTED]

19 [REDACTED] logically makes me believe that they
20 were helping what they called the "patriotic Americans" in
21 these efforts to resupply the troops from the southern front.

22 Q Do you have any idea of the total amount of

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1 materials supplied, the value of the military supplies that
2 were delivered?

3 A Delivered where? To the south? Or to the total
4 operation?

5 Q To the south.

6 A I think the south received between five and six
7 flights. These flights usually will be 8000, 10,000 pound
8 flight.

9 The material that was delivered there sometime was
10 ammunition. There were a lot of boots and uniforms, and
11 there were some weapons. And my guess will be that the cost
12 of that will be in the neighborhood of \$20 per pound.

13 If that is the case, every drop will be about
14 \$200,000, being five or six, will be in the neighborhood of
15 \$1 million to \$1.2 million.

16 Q Okay.

17 A Plus the cost of transportation that I understand
18 was in the neighborhood of \$20,000 to \$30,000 each, because
19 of the risk it involved. So you will have to add to the
20 previous total about 100-, \$120,000 more, about.

21 Q All right. Now, do you know whether the materials
22 supplied that you have estimated to have a value of about

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1 \$1.2 million, were those paid for by these patriotic
2 Americans? Or had they previously been purchased by UNO or
3 the FDN?

4 A It was a mixture of the two. It was not -- it
5 wasn't UNO, because at that time UNO did not have any money
6 for military purposes.

7 Q Okay.

8 A It didn't have any military aid. So it could come
9 from only two sources.

10 What they, "patriotic Americans," or FDN who
11 bought it previously and it was in FDN warehouses. It could
12 well be that in one flight it could be some things from one
13 side, some things from another.

14 Q Do you think there were some of each?

15 A Yes. I don't know where it came from but this is
16 what I have learned.

17 Q It could have been either or both? Is that what
18 you are saying?

19 A That is correct. Either or both.

20 Q Do you have similar knowledge with respect to the
21 total supply by the patriotic Americans? Not just in the
22 south.

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1 A I was told by Adolfo Calero that the total amount
2 of flights were between 20 and 25. That being the case, and
3 applying the same arithmetic, that will be between \$5 to \$6
4 million in total, including goods and transportation costs.

5 Q What was the period of time of these 25 flights?
6 Do you know that?

7 A I only have knowledge of the ones in the south.
8 The ones in the south took place, I think, between June to
9 when the Hassenfus accident took place, that I don't recall.

10 Q Okay. Late October?

11 A Is that when that occurred?

12 MR. BUCK: October 5th.

13 MR. BIRMINGHAM: October 5.

14 THE WITNESS: Until October -- then.

15 BY MR. PARRY:

16 Q All right. Do you know the names of any of the
17 individuals involved in the supply effort by the "patriotic
18 Americans"?

19 A No, sir.

20 Q You didn't have any direct contact?

21 A No. Adolfo Calero told me once, in late November
22 of 1986, that the person that handled all of these was

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1 Captain Cooper --

2 Q Okay?

3 A -- who was the pilot in the plane that was dropped
4 down in -- the Hassenfus flight.

5 Q Did you ever discuss the supply operation with
6 Colonel North or any of Colonel North's representatives?

7 A No, sir.

8 Q He never indicated any connection or control over
9 the "patriotic Americans"?

10 A In talks that we had, he indicated knowing about
11 it.

12 Q Okay.

13 A But, since I was not involved in it there was no
14 detail or anything.

15 Q Let's go back to the funding now.

16 A Yes.

17 Q Prior to money received from Colonel North, you
18 received money from Adolfo Calero; is that correct?

19 A Yes.

20 Q Do you recall approximately the total amount of
21 money received through that source?

22 A Roughly \$600,000.

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31

1 MR. PARRY: Can we mark this as the first
2 exhibit.

3 (Robelo Exhibit 1 identified.)

4 BY MR. PARRY:

5 Q Mr. Robelo, I'm going to show you a set of
6 documents relating to what we believe are the funds you
7 received from Adolfo Calero. The first two pages are
8 computer printouts, based on bank records that Adolfo Calero
9 has provided to the committees. And the subsequent documents
10 are the individual documents evidencing the various
11 transfers.

12 Would you look at these and first tell me if the
13 numbers on the computer printouts would show the dates and
14 amounts of the various transfers from Adolfo Calero's
15 accounts appear to be accurate?

16 A They appear to be accurate according -- to the
17 best of my knowledge, yes.

18 Q Now, the accounts that you had set up for
19 receiving these funds was in which bank?

20 A [REDACTED]

21 Q And the name on the account was?

22 A I don't recall if this one is the same

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1 [REDACTED] account, or could be a personal account
2 under my name. I know about the others but not this one.

3 (Discussion off the record.)

4 THE WITNESS: What we were talking about?

5 BY MR. PARRY:

6 Q You said you didn't know whether this was your
7 account or the private account --

8 A After seeing the records, it was clear that this
9 was transferred to an account, special account, under my name
10 in [REDACTED]

11 Q So that was not the same account later used by
12 Colonel North?

13 A No. It is not.

14 MR. PARRY: Can you mark this as the second
15 exhibit?

16 (Robelo Exhibit 2 identified.)

17 BY MR. PARRY:

18 Q The other documents marked as Exhibit 2, the other
19 documents, are documents which you yourself provided to the
20 committees at an earlier date. Those are the documents
21 representing the monies received through Colonel North;
22 is that correct?

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1 A Yes. These are the credit notes of [REDACTED]
2 [REDACTED] of cable transfers to the account of
3 [REDACTED] that were the result of my conversation
4 with Colonel North requesting direct financing of military
5 operations -- I'm sorry -- political operations of MDN and
6 UDN. The total amount being \$225,000 minus cable cost
7 expenses that account for a few dollars each time.

8 Q How were those funds divided between MDN and UDN?

9 A At the beginning there are some transfers that are
10 larger than the normal \$10,000 per month because we had run
11 into some debts and we wanted to clear that out.

12 Later on it will be \$10,000 and it was usually
13 divided 50:50.

14 I say "usually" because in the beginning I don't
15 think it involved any of UDN-FARN; and also because at the
16 end, the fact that humanitarian aid was coming to UDN-FARN,
17 also meant that it stopped, earlier, that November of 1986.

18 In other words, in the last month it was not
19 divided. At the beginning it was not divided. But in the
20 middle it was divided half and half.

21 Q There appears to be substantial drop off in the
22 amount of funding you received through Colonel North as

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34

1 opposed to the funding received through Adolfo Calero. Were
2 they both intended to finance the same operations?

3 A No, sir.

4 Q What was the difference?

5 A This -- the amounts received from Adolfo Calero
6 were to sustain ARDE as a whole. That, as I mentioned
7 before, it is four organizations and a larger structure as
8 such.

9 These funds, from coming -- because of my talks
10 with Colonel North -- was only to finance the political
11 activities of two organizations, not four. And had nothing
12 to do with ARDE as a coalition.

13 Q Did ARDE dissolve when UNO was formed?

14 A Yes, sir. ARDE stopped operating when UNO was
15 founded in June of 1985.

16 Q Okay. Approximately at the same time. I see the
17 last contribution through Calero came July 3 of '85?

18 A Yes.

19 Q So that approximately coincides with the
20 dissolution of ARDE and the formation of UNO?

21 A Of UNO.

22 Q Is that correct?

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1 A That is correct. The money coming because of my
2 conversations with Colonel North that are in Exhibit 2,
3 started more or less at the same time UNO was formed and they
4 were intended only for political activities of the two
5 organizations that I have mentioned.

6 Q Do you know how the other two organizations that
7 were in ARDE -- did they continue in existence, continue to
8 receive funding?

9 A Yes. Only through UNO, whenever they were
10 involved in the structures or projects of UNO.

11 Q Okay.

12 A In the case of my party, the MDN, we kept a
13 separate office in San Jose, Costa Rica, that we still have.
14 And for party activities we use that office and most of this
15 money, received through Colonel North, the part that was for
16 MDN, was used as party funds to cover political expenses like
17 rent, telephone bills, salaries for the receptionist, the
18 office administrator, the night watch; publications -- we
19 have a bimonthly publication called Rescate; some seminars of
20 members of my party; some missions to foreign countries,
21 things of this nature.

22 Q Did you yourself receive a salary out of these

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1 funds?

2 A No, sir. I have never received any salary because
3 of my work as a politician. I have never received any salary
4 out of either my party or UNO or ARDE. I had my own savings
5 out of my work in Nicaragua, and that's what I live from.

6 Q [REDACTED] I think, has indicated that he received
7 money from Colonel North for his personal expenses and I
8 think Adolfo Calero has indicated the same thing, in terms of
9 a salary. But you never received that type of funding?

10 A No, sir. Never ever. [REDACTED] made it public to
11 us, the directors of UNO, in a meeting in May of 1986 in
12 Miami, that in order for him to cover his living expenses as
13 well as some political expenses, he was receiving some
14 money.

15 That is not the case in this money that
16 [REDACTED] received. This is money for political
17 organizations, specifically and mainly the MDN and in some
18 part, in a minor part, UDN-FARN.

19 Q All right. Do you -- at this time, do you have
20 any outside interests, activities, to generate income for
21 supporting your family?

22 A Yes, sir, I do. I have a coffee farm in Costa

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1 Rica that I bought many years ago. I have interest in a
2 sugar mill. I have interest in --

3 Q In Costa Rica?

4 A In Costa Rica, yes. I have interest in a larger
5 coffee farm in Costa Rica. I have savings accounts in Costa
6 Rica, time deposits in Costa Rica where I live from.

7 Q And your family lives in Costa Rica at this time?

8 A Yes. My family in Costa Rica and I am divorced
9 and my ex-wife has a house and has her own living.

10 Q Prior to your exile from Nicaragua, what was your
11 business in Nicaragua?

12 A I am a chemical engineer and I have worked from
13 1961 until 1979 as an executive in an agribusiness complex
14 that produced cooking oil out of cottonseed and that had
15 investments in cotton plantations, banking as well as what I
16 have mentioned that I still have in Costa Rica that is a
17 product of that agribusiness complex.

18 Q Let's go back to the money supplied by Adolfo
19 Calero. Did he tell you what the source of that money was?

20 A Private donors that wanted to remain anonymous.

21 Q Did he indicate whether they were American
22 citizens or from foreign countries?

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38

1 A No, sir.

2 Q Did he indicate that he knew anything beyond what
3 he told you?

4 A He didn't indicate anything. Just mentioned
5 that. So I could not say if he knew or did not know.

6 Q He didn't give you anything --

7 A No.

8 Q You just assumed that they were private donor .
9 Did he mention who raised the money for him?

10 A No, sir. There were some names that were public,
11 like General Singlaub and other people but he mentioned the
12 fact that most of these contributors will want to remain
13 anonymous. Wanted to remain anonymous.

14 Q Again, with the money received through Colonel
15 North, did you understand anything with regard to the source
16 of those funds?

17 A Colonel North in one conversation explained that
18 these were foreign, private donors.

19 Q So with the money in the [REDACTED] account, you
20 understood they were foreign private donors. The money from
21 Calero they were just private donors, could have been foreign
22 or --

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- 1 A That is precise.
- 2 Q And when they say "foreign" they mean non-United
- 3 States, I assume?
- 4 A That is correct.
- 5 Q Beyond that did he identify the countries or the
- 6 individuals that were contributing?
- 7 A No, sir.
- 8 Q The first check in this Exhibit 2, or the first
- 9 wire transfer, comes from a John Ramsey; is that correct?
- 10 A That is correct.
- 11 Q Do you know anything about Mr. Ramsey, or how it
- 12 came about that he wired, was it \$10,000?
- 13 A No. At the time I received this money I knew
- 14 nothing about who he is -- who he was. A posteriori, now, I
- 15 received the visit of Rich Miller, the 9th of April of this
- 16 year. When I asked him who John Ramsey was, he told me he
- 17 was an American contributor and he knew who he was. But at
- 18 the time that I received this, I honestly didn't -- did not
- 19 read about this -- just took knowledge and filed these credit
- 20 notes.
- 21 Q This was arranged by Richard Miller? This
- 22 transfer?

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1 A No. No. I don't know.

2 Q You don't know?

3 A I don't know.

4 Q What was your connection with Richard Miller?

5 A Richard Miller was introduced to me by Colonel
6 North, either in his office at the White House or else in a
7 telephone conversation and then later on I went to Miller's
8 office,

9 Miller acted more like an adviser on visits to the
10 different media in Washington, like television and radio and
11 newspapers.

12 He did accompany me several times to visit a
13 journalist or televisions or radio stations, and they did
14 make some appointments for me.

15 When I say "they" it means the organization he has
16 with another person that I know fairly well, Frank Gomez.

17 Q Was it your understanding at the time that
18 Mr. Miller or Mr. Gomez had anything to do with the money
19 that was sent to your [REDACTED] account?

20 A No, sir. My talks about this deal was only with
21 Colonel North.

22 Now, a posteriori also, I have seen here in the

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41

1 second and third transfer, the name "International Business
2 Communications" appears.

3 Q Right.

4 A These were the two largest money transfers because
5 we had, as I had mentioned, previous debt that we had to
6 pay. Mr. Miller visited -- visited me last April 9th here in
7 Washington, and asked me to write an acknowledgment of this
8 money being received. I promised that I will acknowledge
9 that and give copies of these transfers -- photocopies of
10 these transfers.

11 Again, I found that this money was coming from
12 IBC, only when I looked at my files in order to get these
13 records out in order to cooperate in this investigation.

14 I didn't pay attention to that when I received it.

15 Q Okay. So I take it that prior to April 9th of
16 this year, you had no idea that John Ramsey had any
17 connection with Richard Miller whatsoever?

18 A That is correct.

19 Q You didn't know that Richard Miller or Frank Gomez
20 were in any way connected with the funds being provided to
21 you, [REDACTED] account?

22 A I did not know at the time the funds were provided

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42

1 because I didn't look in detail on the credit notes.

2 When I looked for the credit notes, in order to
3 cooperate with the investigation, I found those names and,
4 since I have seen those names in the newspapers, then it
5 became --

6 Q After the deposits from International Business
7 Communications, there are deposits from Lake Resources.
8 Again, you didn't know who Lake Resources was or who had
9 control of that account?

10 A No, sir. I had no knowledge and there are three
11 deposits from Lake Resources, each one of \$15,000 and I
12 didn't know who Lake Resources was. I know now because of
13 the publications in the newspapers.

14 Q All right. Subsequent to the transfers that
15 specifically identify Lake Resources there are some documents
16 that don't specifically identify the source. They either say
17 "one of our clients" or "El Mismo," do you know who the bank
18 was referring to or this document was referring to when it
19 says "one of our clients" or "El Mismo"?

20 A No. I have no idea. After the transfer from Lake
21 Resources, all of the rest don't have any identification of
22 who ordered these cable transfers. It only gives the name of

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43

1 the bank.

2 In some cases it is [REDACTED] and I
3 think, after seeing here it is really [REDACTED]

4 [REDACTED] Because at the bottom [REDACTED] so it's
5 a mistake here, it's [REDACTED]

6 Some say [REDACTED]
7 that [REDACTED] some of these come from Credit

8 Suisse, Geneva. But all of them say by order of "El Mismo"
9 which, in Spanish, means "the same." So there is no more
10 information.

11 When I received this money and it was for monthly
12 resources, at that time I marked them down with the names of
13 the months that it corresponds with at the bottom. Like, in
14 here, in the third receipt I have "August-September." And
15 then it says, "October." "November." Et cetera.

16 There were some cases when there were delays, and
17 then two monthly installments will come in one, like the one
18 of the 25th of August of 1986 that covered July-August.
19 Instead of being for \$10,000 it is for \$20,000.

20 Q Was the last payment received that of November of
21 '86?

22 A Yes. The last payment was received November 4,

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1 1986. According to my records, that is the November monthly
2 resource for the political organizations. However, in the
3 credit note it's the only one that has a reference saying
4 "October '86."

5 Q Since this last payment, either October or
6 November '86, how has MDN and UDN been funded?

7 A Well, UDN, I don't know. UDN, I don't know.

8 MDN has, in addition to this, received for quite
9 some time private donations from Nicaraguans. And, in fact,
10 everyone -- every MDN member that is involved in any
11 political activities and receives, because of his work a
12 stipend, according to the magnitude of the stipend, has to
13 give a certain percentage to the party.

14 Q I see.

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

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Q Was there any period of time between '84 and '85 or '86, that the CIA said they could not provide you with funds?

A Oh, yes. The CIA has not given funds to the MDN; no funds during late '84, I am sure. Nothing, I think, during 1985. Maybe in early 1986 it has started, or the middle of '86.

Q I take it coinciding with the expiration of the restrictions on the CIA under the Boland amendment; is that your understanding?

A Yes, that's my understanding.

Q Now, the Nicaraguans that are funding the MDN, I take it these are all Nicaraguans in exile?

A Yes, sir.

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46

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11 Q Prior to October 24th of '86, during the period of
12 the Boland amendment, do you know if the CIA provided any
13 funds to the military operation in the south?

14 A No. Nothing. I know nothing -- I know of
15 nothing.

16 First, from May of 1984 until May of 1986, there
17 was almost no military operations in the south because in the
18 split with Pastora, Commander Pastora has retained most of
19 the forces so there was no military forces in the south.

20 Now, from May of 1984 on -- from May of 1986, I
21 correct myself, on, there was some humanitarian aid. And
22 that took care of the nonlethal part of the military

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47

1 operations.

2 The military ones, as I have stated before, came
3 from what I call the Hassenfus flights that took place and
4 they were the ones responsible for lethal logistics.

5 MR. PARRY: I'm just about finished with the
6 questions I have. I would just like to go back and ask you
7 about individuals and then I think these two gentlemen might
8 also have some questions. But let's go back to Colonel
9 North.

10 BY MR. PARRY:

11 Q You met him in early 1984 in connection with the
12 Kissinger Commission and he passed you a note.

13 Did you follow up with him solely because of that
14 contact or did other people recommend that you contact
15 Colonel North?

16 A Out of that contact I developed a friendship and,
17 usually when I came to Washington, I would pay a visit to his
18 office because of the reality that Colonel North was very
19 knowledgeable about Nicaragua; very knowledgeable about the
20 policy of the U.S. government, and his knowledge was not only
21 military but also political. And knowledgeable about the
22 resistance structure and problems. So it was a very useful

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48

1 person to talk to because of his knowledge.

2 Q So from that first contact the relationship
3 developed on your own initiative? You took it upon yourself
4 to contact him when you were in Washington?

5 A Yes, sir. Yes, sir.

6 Q Who else, working for Colonel North, did you have
7 contact with?

8 A Working for Colonel North?

9 Q Or who did you understand was working with Colonel
10 North?

11 A I understood first, Robert Owen.

12 Q When did you meet Robert Owen?

13 A I think I met him at Colonel North's office.

14 Let's get these dates straight. Could I go off the record?

15 MR. PARRY: Sure.

16 (Discussion off the record.)

17 THE WITNESS: In March of 1985. He was presented
18 to me as a private citizen, helping Colonel North to get aid
19 for the Nicaraguan resistance from the U.S. Congress.

20 BY MR. PARRY:

21 Q After that how many times did you see Robert Owen,
22 and what was his role?

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1 A I saw Robert Owen several times here during --
2 from March '85 to October '85. Usually at Colonel North's
3 office. Maybe a couple of times outside his office.

4 Later on, when the humanitarian aid was approved
5 in September-October 1985, because of his knowledge about
6 Nicaragua and Central America, we requested from the
7 Nicaraguan Humanitarian Assistance Office, NHAO, that was
8 headed by Ambassador Duemling, D-u-e-m-l-i-n-g, I think --
9 that Robert Owen be included in the personnel as an expert,
10 with expertise, or a man that will help us in getting the
11 humanitarian aid moving and getting it to Central America in
12 the best way.

13 Q So you recommended Robert Owen for the position?

14 A We, the three directors, did.

15 Q Prior to this time, though, you understood that he
16 was working for Colonel North?

17 A I understood that he was a private citizen
18 cooperating with Colonel North on Colonel North's efforts to
19 get aid for the Nicaraguan resistance.

20 Q Did he meet with you [REDACTED] prior to the
21 time he became involved with the humanitarian aid?

22 A No, sir. I don't recall. But he did meet with me

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1 two or three times [REDACTED] after he became involved in
2 the logistics of the humanitarian assistance; yes.

3 Q What were the purpose of his visits [REDACTED]

4 A To give me a report on how the humanitarian
5 assistance was flowing, both to the north and to the south.

6 Q Other than Colonel North, were any other
7 individuals involved? Did you have contact with, that were
8 involved with Colonel North?

9 A I mentioned that I met Rich Miller and Frank
10 Gomez.

11 Q All right.

12 A Both from IBC, through Colonel North. And that
13 they helped me out in getting some interviews with
14 newspapers, television, et cetera.

15 Q Along that line, did you ever meet Mr. Channell?

16 A I met Mr. Spitz Channell in March of 1985, I think
17 it was. But not through Colonel North but through FDN. I
18 met Mr. Channell at FDN headquarters here in Washington at
19 Jefferson Street in Georgetown, they used to have
20 headquarters.

21 I saw Mr. Channell a couple of times when we paid
22 visits to President Reagan and there were large gatherings of

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51

1 people that supported the cause of the Nicaraguan resistance,
2 and Mr. Channell was there; General Singlaub was there. But
3 these were more of a protocolary formal gathering where no
4 substance was discussed.

5 Q Did you ever understand that Mr. Channell had a
6 role in providing funding for the FDN or for the UNO?

7 A No, sir. My understanding was that he did
8 fundraising to have a political campaign to help the aid to
9 Nicaraguan resistance. But I knew of no direct funding of
10 UNO -- to UNO, I mean.

11 Q This would have been for American political
12 campaigns? Is that what you understood his role was?

13 A Yes, sir. I did watch television advertising,
14 that was paid for by some organizations funded by the
15 organization of Mr. Channell.

16 Q Were you ever told or did you ever understand that
17 either Mr. Miller or Mr. Gomez or Mr. Channell were involved
18 in procuring weapons or arms for any Contra groups?

19 A No, sir.

20 Q No reason to believe that that happened?

21 A No. I had no reason to believe and I would have
22 not known because that's not the area that I had.

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1 Q How about Jane McLaughlin, did you ever meet her?

2 A Yes. I met her at a reception put out by Polemka
3 in one Washington hotel. I don't recall the name, for
4 Colonel Enrique Bermudez, from the FDN. We had met several
5 times to, in general, discuss the Nicaraguan resistance
6 situation and to discuss how the aid to the Contras was.

7 Q What did you understand her role to be?

8 A She was an executive in Spitz Channell's
9 organization in charge of fundraising specifically for aiding
10 the resistance -- aiding -- for aid to the resistance, I
11 should say. Do I make myself clear?

12 She was an executive in Mr. Spitz Channell's
13 organization to do fundraising that will pay for political
14 advertising or propaganda in this country to help create
15 favorable public opinion for the aid to the Nicaraguan
16 resistance.

17 Q But again it was your understanding that they were
18 not raising funds for either military or nonmilitary aid
19 directly to the Nicaraguan resistance?

20 A My understanding was that she and the organization
21 she worked for were not fundraising for any military
22 activities and were not fundraising to help UNO directly.

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53

1 However, Spitz Channell's organization did have some
2 financing to IBC, where Rich Miller and Frank Gomez worked,
3 and they were helping us doing some lobbying and with the
4 press here. So, indirectly through that service they were
5 helping us.

6 Q All right.

7 A On top of that, when Mr. Carlos Ulvert was the
8 person in charge of our UNO Washington office, he,
9 Mr. Ulvert, informed me that through a conversation with Rich
10 Miller, he, Mr. Ulvert, has received some funds to cover the
11 expenses of the UNO Washington office.

12 Q From Richard Miller?

13 A Yes, sir. From Richard Miller.

14 Q Do you know what the amount was?

15 A Close to \$100,000.

16 Q This was at what time?

17 A The first half of 1985.

18 Q Is that the only instance you know of? Or knew of
19 that money was coming directly from Miller -- from Mr. Miller
20 to any of the Nicaraguan groups?

21 A Plus two small incidents, two small events when
22 they gave me some money.

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54

1 Q Maybe we should talk about that. In addition to
2 the money that was put into the [REDACTED] account which you
3 understood was arranged by Mr. North, were there any other
4 contributions of cash made to you or your group?

5 A Two incidents happened. One took place in, I
6 think it was April 4, 1984. Could it be '84? No, no, no,
7 no. I'm wrong. It has to be April 4, 1985. Yes, '85. It
8 has to be '85.

9 That was the first time when I met with President
10 Reagan and -- yes, that's correct. A Lear jet was sent down
11 to Costa Rica to pick me up. My understanding was that both
12 Colonel North and Rich Miller and his organization, had to do
13 with the contracting of that Lear jet that went down to Costa
14 Rica to pick me up. And my understanding is that they paid
15 for whatever cost that was.

16 Due to an accident that the airplane suffered,
17 when bringing me back in the Caribbean, we have to land in
18 Cancun in an emergency landing and I came very late for the
19 meeting with the President and without any sleep the whole
20 night before. They have made reservations for me at the
21 Hay-Adams, that is a very expensive hotel. And I complained
22 that I didn't have money to pay for that expensive hotel and,

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1 through Colonel North, one of his assistants that I don't
2 recall gave me an envelope with \$300, if my memory doesn't
3 fail. I think it was three \$100 bills; three \$100s.

4 The second incident is sometime, it could be
5 earlier or later, I don't know. But I came to Washington to
6 lobby Congress and my plans were to stay here for only a few
7 days and I had to stay for three weeks at a hotel called
8 Ramada Renaissance on M Street and because of my credit card
9 hit the limit I was very annoyed and I requested from Rich
10 Miller to help me. And he did send me eight traveler's
11 checks of \$100 each, totaling \$800 that I deposited in the
12 hotel account so I could stay for the rest.

13 Q Going the other way, were you ever asked to give
14 money to Colonel North or to Richard Miller or any of these
15 people?

16 A No. Never.

17 Q Do you know if any of the Nicaraguan resistance
18 groups were ever asked to give money to any of these people?

19 A No. Never.

20 Q How about General Secord, have you ever met him?

21 A No, sir. Never.

22 Q You mentioned you had met General Singlaub. What

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56

1 sort of contact have you had with him?

2 A I had met General Singlaub two or three times in
3 my life.

4 The first time was in Miami when he invited me for
5 dinner with several other Nicaraguans at the Viscount Hotel
6 to discuss an event where the several Nicaraguan leaders of
7 the resistance will get together and where my name was
8 included without my previous consent.

9 After that, I think I had met General Singlaub
10 twice in the White House on these protocol gatherings with
11 President Reagan and in those cases we only said hello.

12 Q You haven't had any communications with him
13 regarding military supplies or --

14 A Never ever.



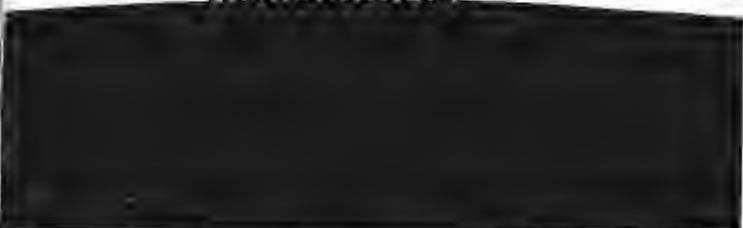
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Q How about the State Department? What contact have you had with the State Department in Costa Rica, other than the ambassador?

A Well, I usually talk to the political attaches there. I talked to Mr. Charles Harrington who works there, and who is continuously asking me to meet with visitors from Congress and others. And I have met with the political attache. I don't recall his name.

Q How about Elliot Abrams. What has your contact been with Elliot Abrams?

A Whenever I come to Washington it is almost certain that I will pay a visit to Mr. Abrams and discuss with him the U.S. policy towards Nicaragua. We usually will meet with several of his staffers and assistants.

Q Would you discuss the same things with Abrams that you would with Colonel North?

A I will say my discussions with Mr. Abrams are

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58

1 usually more on the political side. With Colonel North,
2 because of his background we did get involved in more of the
3 military strategy. In broad terms, but military. With
4 Elliot Abrams we seldom discussed any military matters
5 because it's not what they handled.

6 Q Did Elliot Abrams ever know about the funding that
7 you were receiving through Colonel North?

8 A I don't know.

9 Q You never discussed that with him?

10 A Never ever.

11 Q Did you ever discuss the patriotic Americans
12 supply network with Elliot Abrams?

13 A I don't recall ever discussing it.

14 Q Did you discuss those things with anybody at the
15 State Department?

16 A No.

17 MR. PARRY: Okay. I don't have any more
18 questions.

19 MR. BIRMINGHAM: I would take a few minutes, if I
20 might
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59

EXAMINATION

BY MR. BIRMINGHAM:

Q There has been a lot of publicity about the airport -- air strip John Hull at Santa Elena; John Hull's former aircraft, the Santa Elena air strip, a group of Cubans allegedly active in Costa Rica. What is your view or knowledge of those?

A I have met Mr. John Hull, H-u-l-l -- right?

Q Yes.

A Several times. He's an American who has a farm in Costa Rica. I have been on his farms once.

Later on I have not seen any of -- I have not seen Mr. Hull -- I don't think I have seen him in maybe the last three years.

Q Do you think he's been inactive in the support of the Democratic forces?

A He has always been a man that is willing to help the struggle -- the Nicaraguan resistance. I know nothing about activities in his farm that has to do with Cubans. Only very broad rumors, in Costa Rica, about some Cubans

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60

1 there. And that's not -- that is not in recent months but
2 several months ago.

3 Q Let me ask you about the air strip at Santa
4 Elena. Did you have any involvement in that?

5 A Which one is the one in Santa Elena [REDACTED]
6 [REDACTED] ?

7 Q Yes.

8 A I only know what appears in the Costa Rican
9 newspapers.

10 Q One last question for the record. There has been
11 a lot of talk about drugs playing a very important part in
12 the raising of funds. Would you like to make a statement
13 about that for the record?

14 A Yes. I know of no people involved in UNO that had
15 any connections with any person involving drugs.

16 Now I know of people in -- one person who is in
17 BOS, in the southern opposition block, who, because of a
18 television program in CBS called 57 West, says that I have
19 some involvement in late 1984 with a drug dealer that is in
20 jail in Miami. But no one from UNO organization have I ever
21 known of being involved in anything that has to do with drug
22 trafficking.

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61

1 Q You state no one in UNO. Would you say, other
2 than this man in BOS, would you know about any other from any
3 organizations?

4 A I do remember one incident, a long time ago, when
5 I was in ARDE, that a Nicaraguan in link with the struggle in
6 the south, by the name Sebastian Gonzales, had to flee Costa
7 Rica to Panama because he was accused by the Costa Rican
8 authorities of being involved in drug trafficking.

9 He lives in Panama and has lived in Panama for the
10 last two years at least. And he was not directly involved in
11 the struggle but he was a Nicaraguan exile with some contacts
12 with Commander Pastora.

13 Q But when you were active in the Costa Rica with
14 ARDE and the other organizations you saw no funds coming in
15 of drugs or knew of no drug operation?

16 A Never ever. No, sir. Never.

17 MR. BUCK: I had some questions.

18 MR. PARRY: I had just one question that occurred
19 to me.

20 EXAMINATION

21 BY MR. PARRY:

22 Q Mr. Miller had some records where he referred to

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1 people by code names.

2 Do the names "Spark" or "Clutch" have any
3 significance for you?

4 A What?

5 Q Spark, S-p-a-r-k?

6 A No.

7 Q Or Clutch, C-l-u-t-c-h?

8 A No. What is that, my code name?

9 Q Might be. I don't know.

10 A No.

11 EXAMINATION

12 BY MR. BUCK:

13 Q Have you ever heard of the code name "Green"?

14 A I met with Jane McLaughlin two or three weeks ago
15 and she said that "Green" was the code name for Oliver
16 North. But I have known about that code name only recently.

17 Q Did you -- do you remember a conversation with
18 Jane McLaughlin in which she asked you about your
19 organization receiving Singlaub-type aid?

20 A At one time she was very surprised because she
21 asked me the assistance that Spitz Channell's organization
22 was giving to us and according to my knowledge there was no

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63

1 such aid. And she was very surprised.

2 I do recall it, not in detail, but yes. Because
3 she was surprised. What do you mean we are not helping you?
4 I said no, you are not helping us. Maybe you are helping us
5 the same way General Singlaub's organization is helping us
6 but nothing of significance. Because I knew nothing about
7 private funding.

8 I would like to add one thing that may be of
9 interest to you. In August of 1985, at a meeting of UNO
10 directorate [REDACTED] where Adolfo Calero,
11 Arturo Cruz, and myself were present. [REDACTED]

12 [REDACTED] we came to an agreement that all
13 funds, irrespective of the origin, should be channeled and
14 controlled by the directorate in a collective way. In other
15 words, would not be individually controlled but collectively
16 controlled among the three of us.

17 In subsequent meetings that usually were every
18 month, I will say September, October, November, December 1985
19 and maybe January of 1986, I asked Adolfo Calero, who was the
20 one mostly involved in the handling of private funds,
21 especially with my previous experience of receiving money
22 from him, what was the situation of funds coming to --

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BRT

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64

1 private funds coming to help the cause? And the answer, in
2 each and every one of those meetings of the directorate,
3 was: I have received no funds and there is no money
4 available to be disbursed by the directorate.

5 I interpreted this as Adolfo not wanting to share
6 that responsibility with us and I gave up asking him more
7 about that.

8 Q Would you have known about weapons that would have
9 been delivered to your -- to a military group associated with
10 the southern front or military groups associated with the
11 northern front?

12 A I did know, as I have expressed, of some air drops
13 that were made to the southern front and they usually will
14 inform me of how many bundles and how many pounds. I did not
15 receive any report on the details of what those bundles
16 contained.

17 Q What I'm wondering is, you mentioned that you
18 believe they were paid for by private donors.

19 A Yes, sir.

20 Q And we have Mr. Channell raising money from
21 private donors. But at this point in time you have not made
22 a connection between Mr. Channell's activities and the

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DATE 11-14-01 BY 60322 UCBAW

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1 private donors and military air drops?

2 A No. I did not make such connection. Besides
3 that, my understanding was that Mr. Channell's fundraising
4 was devoted mainly for political campaigning in the United
5 States to move the public opinion in this country in favor of
6 Contra aid.

7 Q Who told you that or how did you develop that
8 opinion?

9 A Because I saw the advertising that appeared in the
10 television continuously and I saw how he was doing publicly
11 these moves to change the public opinion. And I honestly
12 didn't think of any links that he may have with providing
13 funds for weapons or military logistics.

14 Q So, when you saw him with Colonel North, again
15 your assumption was that he was helping out in a political
16 sense and not --

17 A I don't recall ever seeing Spitz Channell with
18 Colonel North. But in the large meetings with the President
19 I don't recall ever seeing Spitz Channell in Colonel North's
20 office.

21 MR. BUCK: Okay. I have no more questions.

22 MR. PARRY: Just one.

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66

1 THE WITNESS: There's always a last one.

2 EXAMINATION

3 BY MR. PARRY:

4 Q What is your opinion of the efficiency of the
5 private supply network? How did it operate? The airlifts?

6 A It became evident after the drop of the Hassenfus
7 flight, because of the documents the crew carried and because
8 of the pattern that they flew, that this was not a very well
9 prepared and secure and effective operation. To the
10 contrary, it became evident that it was very unprofessional.
11 But I didn't know nothing at the time of the flights.

12 Q Prior to the Hassenfus, you hadn't heard
13 complaints?

14 A No, sir.

15 Q Anything about the ammunition not matching the
16 weapons that were dropped? Things like that?

17 A Maybe once or twice Commander Chamorro told me
18 that they had dropped materials that were not of use to the
19 troops. Not necessarily not matching but maybe sometimes in
20 excess of what they really need, so it only meant more weight
21 to the insurgents.

22 Q Were they always dropped in the right spots?

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1 A Oh, no. There were tremendous problems because
2 there will be drops that will not coincide with the dropping
3 zone. In many cases there were bundles that were lost
4 because of not dropping in the proper zone.

5 Q Fernando Chamorro would communicate this to you?

6 A Yes, sir.

7 Q Did you ever meet anybody named Max Gomez or Felix
8 Rodriguez?

9 A No, sir. Never.

10 Q Rafael Quintero?

11 A No.

12 MR. PARRY: Okay. No more questions.

13 (Whereupon, at 12:20 p.m., the deposition was
14 concluded.)

15

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

68

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I, JOEL BREITNER, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires 8/14/90

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UNCLASSIFIED

13 APR 87

E

X 0248

REFERENCE
BANK TRANSACTIONS

Report Date: 4-13-87

Date	Source Bank	Transaction Type	Reference Number	Amount
Account Name: POSSIBLE NAME [REDACTED] (7011)				
04-26-85	1007	Wire Deposit		2,000,045.00
Balance:		2,000,045.00	Document Number:	0088-35
Account Name: ACCOUNT NAME UNKNOWN (7017) [REDACTED]				
08-01-84	1007	Wire Deposit		50,045.00
Balance:		50,045.00	Document Number:	0312-1
08-13-84	1007	Wire Deposit		50,045.00
Balance:		100,090.00	Document Number:	0312-9
08-29-84	1007	Wire Deposit		50,045.00
Balance:		150,135.00	Document Number:	0312-15
10-09-84	1007	Wire Deposit		25,045.00
Balance:		175,180.00	Document Number:	0307-7
10-18-84	1007	Wire Deposit		25,045.00
Balance:		200,225.00	Document Number:	0307-14
11-05-84	1007	Wire Deposit		65,045.00
Balance:		265,270.00	Document Number:	0305-8
11-19-84	1007	Wire Deposit		35,045.00
Balance:		300,315.00	Document Number:	0305-18
12-06-84	1007	Wire Deposit		75,045.00
Balance:		375,360.00	Document Number:	0300-10
01-04-85	1007	Wire Deposit		35,045.00
Balance:		410,405.00	Document Number:	0297-7
02-08-85	1007	Wire Deposit		35,045.00
Balance:		445,450.00	Document Number:	0294-2
02-28-85	1007	Wire Deposit		35,035.00
Balance:		480,485.00	Document Number:	0294-20
03-26-85	1007	Wire Deposit		35,035.00
Balance:		515,520.00	Document Number:	0291-23

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 by K. Johnson, National Security Council

5651

UNCLASSIFIED

 39
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E X 0249

REFERENCE
BANK TRANSACTIONS

Report Date: 4-13-87

Date	Source Bank	Transaction Type	Reference Number	Amount
04-26-85	1007	Wire Deposit		35,035.00
Balance:		550,555.00	Document Number:	0288-31
05-21-85	1007	Wire Deposit		25,035.00
Balance:		575,590.00	Document Number:	0290-19
07-03-85	1024	Wire Deposit		25,045.00
Balance:		600,635.00	Document Number:	0159-7
Account Name:		(8004)		
03-05-86	1024	Check		37,418.00CR
Balance:		37,418.00CR	Document Number:	0120-1
04-01-86	1024	Check		83,368.00CR
Balance:		120,786.00CR	Document Number:	0117-1
Account Name:		(8005)		
08-09-84	1007	Deposit	111	2,300.00
Balance:		2,300.00	Document Number:	0312-3
Account Name:		(8007)		
07-11-84	1007	Deposit	106	4,000.00
Balance:		4,000.00	Document Number:	0318-3
Account Name:		(8010)		
08-27-85	1024	Deposit	113	4,093.00
Balance:		4,093.00	Document Number:	0152-28
Account Name:		(8011)		
08-26-85	1024	Deposit	120	7,500.00
Balance:		7,500.00	Document Number:	0152-33
Account Name:		DHL (8014)		
07-10-85	1024	Deposit	101	29.95
Balance:		29.95	Document Number:	0159-41

UNCLASSIFIED

10 Aug 84

UNCLASSIFIED

Agosto 10, 1934

0

714

[REDACTED]
Présente.

Muy señores nuestros:

Por medio de la presente les autorizamos a debitar nuestra
cuenta corriente [REDACTED] la cantidad de -----
US\$50,000.00 para que se sirvan efectuar la siguiente trans-
ferencia:

a) [REDACTED]

b) Para crédito de Cta. Especial U.S. Dólares
No. [REDACTED]

Atentamente, /

[REDACTED]

OK
element

5652

UNCLASSIFIED

28 Aug 84

UNCLASSIFIED

Agosto 28, 1984

0 710

[REDACTED]
Presente.

Muy señores nuestros:

Rec'd
Por medio de la presente les autorizamos a debitar nuestra cuenta corriente [REDACTED] la cantidad de US\$50,000.00 para que se sirvan efectuar la siguiente transferencia:

- a) [REDACTED]
b) Para crédito de Cta. Especial U. S.
Dólares [REDACTED]

Atentamente,

[REDACTED]

5653

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UNCLASSIFIED

30 Jul 84

UNCLASSIFIED


Julio 30, 1984


720

0


Presente.

Mry señores nuestros:

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente  la cantidad de US\$50,000.00 para que se sirvan efectuar la siguiente transferencia:

a) b) Para crédito de Cta. Especial U.S. Dolares No. 

Atentamente,

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5654

ok
closed.

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under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

UNCLASSIFIED

10 Oct 84

0 694

Octubre 10, 1984

[REDACTED]
Presente.

Muy señores nuestros:

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente [REDACTED] la cantidad de US\$25,000.00 para que se sirvan efectuar la siguiente transferencia:

a) [REDACTED]

b) Para crédito de
Cta. Especial U.S. Dólares No. [REDACTED]Atentamente,
[REDACTED]

5655

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UNCLASSIFIED

UNCLASSIFIED

18 OCT 84

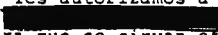
0 690

Octubre 18, 1984



Presente.

Muy señores nuestros:

al

Por medio de la presente les autorizamos a debitar nuestra cuenta corriente  la cantidad de US\$25,000.00 para que se sirvan efectuar la siguiente transferencia:

a)

b) Para crédito de
Cuenta Especial U.S. Dólares # 

Atentamente,

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5654

5 NOV 84


UNCLASSIFIED



0 683

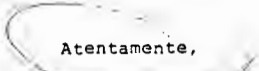
Noviembre 5, 1934

el
Presente.

Muy señores nuestros:

Por medio de la presente les autorizamos a debitar
nuestra cuenta corriente  la can-
tidad de US\$65,000.00 para que se sirvan efectuar
la siguiente transferencia:

- a) 
- b) Para crédito de:
Cuenta Especial U.S. Dólares No. 


Atentamente,

(5657)

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UNCLASSIFIED

19 NOV 84

UNCLASSIFIED

0 675

Noviembre 19, 1994

[REDACTED]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [REDACTED] la cantidad de ----
US\$35,000.00----- para transferirse a:

1) Banco :

:

[REDACTED]

2) Para pagarse a: Cuenta Especial U.S. Dólares

3) Cuenta número :

[REDACTED]

Atentamente,

[REDACTED]

cf -

5658

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UNCLASSIFIED

UNCLASSIFIED


6 De 84



0 665

Diciembre 6, 1994


Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente  la cantidad de ----
US\$ 75,000.00 para transferirse a:

- 1) B a n c o : 
- 2) Para pagarse a: Cuenta Especial
- 3) Cuenta número : 



al

5659

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UNCLASSIFIED

UNCLASSIFIED

4 JAN 25

0 564

Enero 4, 1995

[REDACTED]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [REDACTED] la cantidad de ----
US\$ 35,000.00 para transferirse a:

1) B a n c o . : [REDACTED]

2) Para pagarse a :

3) Cuenta número : Cuenta Especial No. [REDACTED]

Atentamente,
[REDACTED]

df-

5660

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UNCLASSIFIED

UNCLASSIFIED

8 Feb 85

Febrero 8, 1985

0 537

[REDACTED]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [REDACTED] la cantidad de ---- US\$35,000.00 para transferirse a:

- 1) Banco : [REDACTED]
- 2) Para pagarse a: Cuenta Especial
- 3) Cuenta número : No. [REDACTED]

Atentamente,
[REDACTED]

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5661

UNCLASSIFIED

28 Feb 85

af

Febrero 28, 1985

0 519

[REDACTED]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [REDACTED] la cantidad de ----
US\$ 35,000.00 para transferirse a:

1) B a n c o : [REDACTED]

2) Para pagarse a:

3) Cuenta número : Cuenta Especial [REDACTED]

Atentamente,
[REDACTED]

5662

UNCLASSIFIED

26 MAR 85


UNCLASSIFIED



Marzo 26, 1985

0 494




Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente  la cantidad de ----
 US\$35,000.00-----para transferirse a:

1) B a n c o : 2) Para pagarse a: Cuenta Especial No. 

3) Cuenta número :


 Atentamente,


5663

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UNCLASSIFIED

26 APR 65

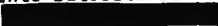
UNCLASSIFIED




0 451

Abril 26, 1965


Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente  la cantidad de ----
US\$ 35,000.00----- para transferirse a:

- 1) B a n c o : 
- 2) Para pagarse a: 
- 3) Cuenta número : Cta. Especial No. 

Atentamente,


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UNCLASSIFIED

5664

21 May 85

UNCLASSIFIED

Mayo 21, 1985

0 428

[REDACTED]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [REDACTED] la cantidad de ----
US\$25,000.00-----para transferirse a:

1) B a n c o : [REDACTED]

2) Para pagarse a: [REDACTED]

3) Cuenta número : Cta. Dólares [REDACTED]

Atentamente,
[REDACTED]

5665

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UNCLASSIFIED

2 Jul 85

UNCLASSIFIED

0 578

Julio 3, 1985

[REDACTED]
Presente.

Estimados señores:

Por medio de la presente autorizamos a ustedes debitar nuestra cuenta corriente [REDACTED] la cantidad de ----
US\$ 25,000.00-----para transferirse a:

- 1) B a n c o : [REDACTED]
for further credit to
- 2) Para pagarse a: [REDACTED]
- 3) Cuenta número : Cuenta Especial [REDACTED]

Atentamente,

[REDACTED]

Stable

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UNCLASSIFIED

7 Jun 85

E X 0250

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5667

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UNCLASSIFIED

Rebelle 2
 27 April 1985

7-6-85

F X 025 Vol. 2.

1753 T2

US DOLLARS: NUEVE MIL NOVECIENTOS OCHENTA Y CINCO CENTS
00/100

RECIBIDO

Firma de(los) beneficiario(s):

Me (nos) comprometemos(nos) con [REDACTED] para nacer de o. c. con
inmediata de esta suma, en caso de que se incurra
en una duplicación o si por cualquier motivo este
pago no me(nos) correspondiera

7-6-85

° 496.753,75

7 - JUN 1968

COLONEL GUATROCKE
CIVILIAN AIRS MIA (SAFETY) IN DOB CANCU, MX 3 FEB 75
CON 75-100

COSTA CLIENTE

Form No. 1

No 72985

Hemos A CREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

///COMPENS:DO///.

EJECUCION DE NUESTRA ORDEN NO. 312830.-

LA SUMA DE
DOLARES NOVE MIL NOVECIENTOS OCHENTA
La validez de este crédito queda sujeta a la certificación de nuestra
CUENTA N°

TRICOR 00/400

\$ 9.985,00

49.75

Lump. Hunt. Cat. 21149 - 300x100x2 - 12-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

UNCLASSIFIED

16-7-85

No. 313439
telex.

INSTRUCCIONES RECIBIDAS DE:

ORDEN DE PAGO No. **TT-2049.-**
de orden de **INT'L BUSINESS COMMUNICATIONS.**

E X 0252

por cuenta de **idem.**

por la suma de

US\$29.970,00US\$29.970,00 < **VEINTINUEVE MIL, NOVECIENTOS SETENTA Y OCHO C/100**

y que liquidamos y pagamos

RECIBIDO

~~CCC~~ creditando la cuenta corriente del Beneficiario No.

() bajo estricta identificación

Firma del/los beneficiario/s

Me inscribo comprometiéndome con el [redacted] para hacer devoluciones inmediatas de esta suma, en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me/los correspondiera.

EJECUTADA EL

17-7-85

al T.C.

50,35

% **1.508.989,50****VEINTINUEVE MIL, NOVECIENTOS Y OCHO C/100**

50/100

COMPLETADO

COPIA CLIENTE

NOTA DE CREDITO

Form. No. 7

Nº 73604

xxx 310.300

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA ORDEN DE PAGO NO. 313439./

LA SUMA DE

DOLARES **VEINTINUEVE MIL NOVECIENTOS Y OCHO C/100**

\$ 29.970,00

CU

[redacted]

17 JUL 1985

Fecha: 17-7-85

50,35

1.508.989,50

5667

UNCLASSIFIED

Imp. Int. Cat. 21148 - 300x100x3 - 12-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

No. 314209

TT-2384

TELEX

E X 0253

POLARES: VEINTINUEVE MIL NOVECIENTOS CUARENTA Y CINCO
CON CC/100-x-x-

y que liquidamos y pagamos

RECIBIDO

xxx acreditando la cuenta corriente del Beneficiario
() bajo estricta identificación

Firma del(s) beneficiario(s)

Me (nos) saldaremos (nos) con [REDACTED] para hacer devolución inmediata de esta suma en caso de que se pague en una duplicación o si por cualquier motivo esta paga no incluyese correspondiera

EJECUTADA EL 9-9-85
al T.C. 51.45 % C1.541.956.50
collines; un millon quinientos cuatre

881 novientos cincuenta y seis

COPIA CLIENTE

NOTA DE CREDITO

xxxx 310.300

No 73297

Importe ACREDITADO en mi apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE OP N°314209, SEGUN DETALLE ADJUNTO

000041

LA SUMA DE VEINTINUEVE MIL NOVECIENTOS CINCUENTA CON 00/100-X-X-
XILARES

A valides de esta cantidad queda sujeta a la autorización de nuestro control.

CUENTA N°

\$29,970.00

La validez de esta condición queda sujeta a la verificación de nuestro control.

Imp. J. Mar. Cat. 2014 - 300m/00m - 12-43

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under provisions of E.O. 12356
by K. Johnson, National Security Council

by K. Johnson, National Security Council

UNCLASSIFIED

UNCLASSIFIED

22-10-85

No. 314858

TELEX.

INSTRUCCIONES RECIBIDAS DE: CREDIT SUISSE - GENEVE.-

ORDEN DE PAGO No. 2A 1021-9248-043/6.-
 de orden de LAKE RESOURCES INC.-
 por cuenta de IDEN.-
 por la suma de 315.000,00 / DOLARES: QUINCE MIL CON 00/100.-

E

X 0254

y que liquidamos y pagamos

(☒) Acreditando la cuenta corriente del Beneficiario N° [REDACTED]
 () bajo estricta identificación

RECIBIDO

Firma del(los) beneficiario(s)

22 OCT 1985

Me ingre[REDACTED] para hacer devolucion
 inmediata de esta suma en caso de que se incurra
 en una duplicacion o si por cualquier motivo este
 pago no me[REDACTED] correspondiera

EJECUTADA EL 22-10-85
 al T.C. 52,20 % 783.000,00.-

COLONES SEISCIENTOS CIENTA Y TRES MIL CON 00/100.-

COMPENSADO

COPIA CLIENTE

NOTA DE CREDITO

XXXX 310300

Nº 76156

Remite ACREDITADO en su acreditada cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA O.P. 314858 A SU FAVOR.-

LA SUMA DE DOLARES QUINCE MIL CON 00/100.-

315.000,00.-

La validez de este crédito queda sujeta a la certificación
 CUENTA N° [REDACTED]

22 OCT 1985

Fecha,

22-10-85.-

52,20

783.000

Rafael Angel [REDACTED]

Imp. Distr. Cel. 31148 - 302x100x2 - 12-85

Partially Declassified/Released on 3 FEB 88
 under provisions of E.O. 12356
 by K. Johnson, National Security Council

UNCLASSIFIED

UNCLASSIFIED

15-11-85

No. 315198

INSTRUCCIONES RECIBIDAS DE:

CREDIT SUISSE - GENEVE

E

TELEX 0255

RDEN DE PAGO No.
de orden de
por cuenta de
por la suma de

TELEX
LAKE RESOURCES INC.
IDEN.-

815.000,00

DOLARES: QUINCE MIL CON 00/100

15 NOV 1985

y que liquidamos y pagamos

- () acreditando la cuenta corriente del Beneficiario N
() bajo estricta identificación

RECIBO

Firma del(s) beneficiario(s)

Me (nos) comprometemos con
para hacer devolución
inmediata de esta suma, en caso de que se incurra
en una duplicación o si por cualquier motivo este
pago no me(nos) correspondiera.

EJECUTADA EL
al T.C. 52,45/

15-11-85

786.750,00

DOLARES: QUINCE MIL CON 00/100 Y 85/100 DOLARES: CINCUENTA MIL CON 00/100

COMPENSADO

COPIA CLIENTE

NOTA DE CREDITO

XXXXX 310300

No 7629

Remesa ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA O.P. 315198 A SU FAVOR.-

LA SUMA DE
DOLARES QUINCE MIL CON 00/100

La validez de este documento depende de la verificación de nuestra máquina de control.

CUENTA

\$ 15.000,00

15 NOV 1985

Fecha

Imp. Univ. Cda. 31109 - 300x100x5 - 13-83

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

UNCLASSIFIED

A favor de

08-1-86

No. 315973

INSTRUCCIONES RECIBIDAS DE:

CREDIT SUISSE GENEVE.

telex.

0256

ORDEN DE PAGO No.

ZA 11189250059.

de orden de LAKE RESOURCES INC.

por cuenta de idem.

por la suma de

US\$14,981.25

DOLARES: CATORCE MIL NOVECIENTOS OCHENTA Y UNO CON
25/100-X-X-X

Y que liquidamos y pagamos

☒ acreditando la cuenta corriente del Beneficiario No.☐ bajo estricta identificación

RECIBIDO

Firma del(s) beneficiario(s)

EJECUTADA EL 9-1-86

al t.c. 53.45 % C 800,747.80

colones ochocientos mil setecientos

No (nos) comprometemos con [redacted]
ninguna de esta suma en caso de que se incurra
en una duplicación o si por cualquier motivo este
pago no meinos correspondiere.

COPIA CLIENTE

NOTA DE CREDITO

Form. No. X

xxxx 310.300

No 76689

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE OP N°315973, SEGUN DETALLE ADJUNTO

LA SUMA DE CATORCE MIL NOVECIENTOS OCHENTA Y UNO CON 25/100-X-X-X

\$ 14,981.25

La validez de este crédito queda sujeta a la certificación de nuestra máquina de

CUENTA N° [redacted]

Imp. Dist. Cat. 3110 - 300x100 - 12-80

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under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

UNCLASSIFIED

16-1-86

No. 316104

INSTRUCCIONES RECIBIDAS DE:

20003188./

ORDEN DE PAGO N° **ONE OF OUR CLIENTS**
de orden de **idem.**
por cuenta de
por la suma de **US\$10.000,00**

USDOLARE : DIEZ MIL CON 00/100

Y que liquidamos y pagamos

- (☒) creditando la cuenta corriente del Beneficiario No.
() bajo estricta identificación

RECIBIDO

Firma del(los) beneficiario(s)

Mr. [redacted] para hacer de [redacted] en
inmediata de esta suma. En caso de que se hiciera
en una duplicación o si por cualquier motivo este
pago no llegara al correspondiente

EJECUTADA EL

17-1-86

al T.C.

53,45

%

534.500,00

COPIA CLIENTE

NOTA DE CREDITO

NL

No 7697

Remesa ACREDITADO en su aprehensible cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 316104./

LA SUMA DE

DOLARES DIEZ MIL CON 00/100

La validez de este crédito queda sujeta a la certificación de nuestra máquina de control.

CUENTA N°

17 ENE 1986 53,45

\$ 10.000,00

Imp. Ext. Cal. 51140 - 200x100x3 - 12-43

Partially Declassified/Released on 3 FEB 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

ENERO 1986

5667

LA SUMA DE
DOLARES
CUENTA N°

A favor de

UNCLASSIFIED

19-2-86/

No. 316601

telax.

INSTRUCCIONES RECIBIDAS DE:

E

X

0258

ORDEN DE PAGO No. _____

de orden de **el mismo**por cuenta de **idem.**por la suma de **US\$9,981.50** < **USDOLARES: NUEVE MIL NOVECIENTOS OCHENTA Y UNO CEN** >
50/100

Y que liquidamos y pagamos

RECIBIDO

(~~creditando~~ la cuenta corriente del Beneficiario

() bajo estricta identificación

Firma del(los) beneficiario(s)

Me (nos) comprometemos con el [redacted] para hacer devolución inmediata de esta suma, en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me(nos) correspondiera.

19 FEB 1986

EJECUTADA EL

19-2-86

al T.C. 53,70/ % **536.006,5**

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NOTA DE CREDITO

Form. No

No 77493

ML

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 316601./

LA SUMA DE

DOLARES **NUEVE MIL NOVECIENTOS OCHENTA Y UNO** 9,981.50

CUENTA N°

19 FEB 1986

53,70

19-2-86

FEB 1986

Imp. Dist. Cat. 2110 - 300x100x3 - 13-8

Partially Declassified/Released on 3 Feb 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

UNCLASSIFIED

UNCLASSIFIED

No. 317038

INSTRUCCIONES RECIBIDAS DE:

CREDIT SUISSE GEN'L.

ORDEN DE PAGO No. **21-3-86**
 de orden de **idem.**
 por cuenta de
 por la suma de **US\$10,000.00**

ZAO31892480796 //

US DOLARES: DIEZ MIL CON 00/100

Y que liquidamos y pagamos

- (☒) acreditando la cuenta corriente del Beneficiario No. **21-3-86**
 () bajo estricta identificación

RECIBIDO

EJECUTADA EL
 al T.C. **54,20** %

542.000,00

Firma del(s) beneficiario(s)

El/los comprometo(s) con **21-3-86**
 para hacer devolución
 inmediata de esta suma, en caso de que se incurra
 en una duplicación o si por cualquier motivo este
 pago no me/los correspondiera

TEL CHASE HANBATTAN BANK PAN 11351

COPIA CLIENTE

NOTA DE CREDITO

ML

No 775

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle.

EJECUCION DE NUESTRA OP 317038

LA SUMA DE

DOLARES

DIEZ MIL CON 00/100

\$ 10,000.

La validez de este crédito queda sujeta a la certificación de nuestra máquina de control.

CUENTA No. **21-3-86****54,20**

Imp. Inst. Cat. 31148 - 300a100d - 12-85

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 by K. Johnson, National Security Council

UNCLASSIFIED**MAR 20 1986**

UNCLASSIFIED

01-5-86

No. 317736

INSTRUCCIONES RECIBIDAS DE:

CREDIT SUISSE GENEVE.

telex.

ORDEN DE PAGO No.

2A043092470636./

E

0260

de orden de ~~el mismo~~por cuenta de ~~idem.~~

por la suma de

US\$10.000,00

DOLARES: DIEZ MIL CON 00/100

y que liquidamos y pagamos

(~~20%~~ creditando la cuenta corriente del Beneficiario No.

() bajo estricta identificación

RECIBIDO

Firma del(s) beneficiario(s)

Me (nos) comprometo(nos) con el ~~beneficiario~~
para hacer efectivo en
inmediata de esta suma, en caso de que se incurra
en una duplicación o si por cualquier motivo este
pago no me(nos) correspondiere

EJECUTADA EL

01 MAY 1986

al T.C. 54,75

% C 547.500,00

COTON 3. ADDENDOS CUARENTAYU

DOLARES: DIEZ MIL CON 00/100

COPIA CLIENTE

NOTA DE CREDITO

ML

No 8066

Hemos A CREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 317736./

LA SUMA DE

DOLARES DIEZ MIL CON 00/100

\$ 10.000,00

La validez de este crédito queda sujeta a la certificación de nuestra máquina

CUENTA N°

54,75

2 - MAY 1986
FIRM. 12-1810 1986

5667

Abril 10

Imp. Trans. Cal. 21148 - 302x100x3 - 1248

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under provisions of E.O. 12356
by K. Johnson, National Security Council

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Acreditado

UNCLASSIFIED

09-6-86

No. 318279

INSTRUCCIONES RECIBIDAS DE:

CREDIT SUISSE GENEVE

telex.
0261

ORDEN DE PAGO No. SA 060492481596./
 de orden de idem.
 por cuenta de
 por la suma de

US\$10.000,00

USDOLARES: DIEZ MIL CON 00/100

y que liquid... y pagamos

- () acreditando la cuenta corriente del Beneficiario No.
 () bajo estricta identificación

RECIBIDO

Firma del(los) beneficiario(s)

Me (nos) comprometemos con el [redacted] para hacer devolucion
 inmediata de esta suma, en caso de que se incurra
 en una duplicacion o si por cualquier motivo este
 pago no me(nos) correspondiera.

EJECUTADA EL

09-6-86

al T.C. 55,10

C 551.000,00

USDOLARES: DIEZ MIL CON 00/100

COPIA CLIENTE

NOTA DE CREDITO

ML

No 7912

SAN JUAN, PUERTO RICO

Remon ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 318279./

LA SUMA DE
 DOLARES DIEZ MIL CON 00/100

\$ 10.000,00

La validez de este crédito queda sujeta a la certificación de control.
 CUENTA N° [redacted]

9 - JUN-1986

55,10

09-6-86

Imp. Dual, Col. 3148 - 3021023 - 12-83

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 by K. Johnson, National Security Council

UNCLASSIFIED

A favor de

UNCLASSIFIED

03-7-86/

No. 318733

INSTRUCCIONES RECIBIDAS DE:

telox.

0262

ORDEN DE PAGO No.

de orden de

por cuenta de

por la suma de

US\$9.981,50/

US DOLARES: NUEVE MIL, NOVECIENTOS OCHENTA Y UNO CON 50/100

Y que liquidamos y pagamos

RECIBIDO

(~~Se~~ acreditando la cuenta corriente del Beneficiario No.

() bajo estricta identificación

Firma del(s) beneficiario(s)

Me (nos) comprometemos con el ~~beneficiario~~ para hacer devolución inmediata de esta suma, en caso de que se incurra en una duplicación o si por cualquier motivo este pago no (me)nos) correspondiera.

EJECUTADA EL

04-7-86

4 - JUL 1986

al T.C.

55,70

555.969,55

CIENTOS CINCUENTA Y CINCO MIL NOVECIENTOS OCHENTA Y NUEVE C

55/100

COMPLETADO

COPIA CLIENTE

NOTA DE CREDITO

Nº 7967

XXXX 3060-00

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle:

EJECUCION DE NUESTRA OP 318733./

LA SUMA DE

DOLARES: NUEVE MIL NOVECIENTOS OCHENTA Y UNO CON 50/100

\$9.981,50

La validez de este crédito queda sujeta a la certificación.

CUENTA N°

55,70

4 - JUL 1986

04-7-86

555,9

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under provisions of E.O. 12356
by K. Johnson, National Security Council

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JUNIO 1986

UNCLASSIFIED

25-8-86

No. 319559

INSTRUCCIONES RECIBIDAS DE:

CREDIT SUISSE GENEVE,

TELEX

ORDEN DE PAGO No.

ZA 0822-9250-137/6

de orden de EL MISMO

por cuenta de

IDEM

por la suma de

\$20.000.00

DOLARES:VEINTE MIL CON 00/100-X-X-

E X 0263

y que liquidamos y pagamos

RECIBIDO

(☒) acreditando la cuenta corriente del Beneficiario No.

() bajo estricta identificación

Firma del(s) beneficiario(s)

Me (nos) comprometemos con el [redacted] para hacer devolución inmediata de esta suma, en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me(nos) correspondiera.

EJECUTADA EL

25-8-86

MTC 56.30

1,126.000.00/

colones; un millón ciento veintiseis mil con 00/100-X-X-

[redacted]

compensado.

COPIA CLIENTE

NOTA DE CREDITO

XXXXX 306000

No 795

Hemos ACREDITADO en su apreciable cuenta corriente, según el siguiente detalle.

EJECUCION DE OP N°319559

LA SUMA DE

DOLARES:VEINTE MIL CON 00/100-X-X-

La validez de este crédito queda sujeta a la certificación de su

CUENTA N° [redacted]

25 AGO 1986

\$ 20.000.00

1,126

Fecha 25-8-86

MTC

5667

John + H. COST

Imp. 11441. Cat. 21140 - 300x1000 - 12 83

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under provisions of E.O. 12356
by K. Johnson, National Security Council

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A favor de

08-9-86

UNCLASSIFIED

No. 319802

INSTRUCCIONES RECIBIDAS DE:

CREDIT SUISSE GENEVE

telez.

ORDEN DE PAGO No. ZA090592501316./
 de orden de el mismo
 por cuenta de idem.
 por la suma de US\$10.000,00 /

US DOLARES: DIEZ MIL CON 00/100

F X 0264

Y que liquidamos y pagamos

RECIBIDO

(☒) acreditando la cuenta corriente del Beneficiario No. [REDACTED]
 () bajo estricta identificación

Firma del/los beneficiario(s)

Me comprometo con el [REDACTED]
 para hacer devolución
 inmediata de esta suma en caso de que se incurra
 en una duplicación o si por cualquier motivo este
 pago no me fuesse correspondiente

EJECUTADA EL 9-9-86
 a T.C. 56.65 / \$ 566,500.00
 colones; quinientos sesent

9 - SET 1986

C/100-X-X-X

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NOTA DE CREDITO

XXXX 306000

Nº 79592

Reman A CREDITADO en su acreditada cuenta corriente, según el siguiente detalle:

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 by K. Johnson, National Security Council

EJECUCION DE OP N°319802

LA SUMA DE DIEZ MIL CON 00/100-X-X-X-

\$10,000.00

La validez de este crédito queda sujeta a la control.

CUENTA N° [REDACTED]

9 - SET 1986

Fecha. 9-9-86

56.65

566.

5667

SEPTIEMBRE '86

Imp. Dist. Cat. 31148 - 302810023 - 12-83

UNCLASSIFIED

avor de

07-10-86

UNCLASSIFIED

No. 320273

STRUCCIONES RECIBIDAS DE:

CREDIT SUISSE GENEVE

telex.

ORDEN DE PAGO No.

ZA100392470116//

orden de el mismo

cuenta de idem.

la suma de

US\$10.000,00

US DOLARES: DIEZ MIL CON 00/100

E X 0265

se liquidamos y pagamos

[] creditando la cuenta corriente del Beneficiario

[] bajo estricta identificación

RECIBIDO

Firma del(s) beneficiario(s)

Me legal comprometo (amos) con el [redacted] para hacer devolución inmediata de este cheque en caso de que se incurra en una duplicación o si por cualquier motivo este pago no me (nos) correspondiera.

CUTADA EL

08 OCT 1986

8 - OCT 1986

P.C.

56,90

569.000,00

COLUMBIA QUINIENTOS SESENTA Y NUEVE MIL CON 00/100

COMPENSADO

PIA CLIENTE

Form. N° 06-31-2

NOTA DE CREDITO

N° 18810

CERTIFICACION

XXXXX 3060-00

Hemos ACREDITADO en su agremiable cuenta corriente, según el siguiente detalle:

EJECUCION DE INSTRUMENTO-02-320273//

LA SUMA DE

DOLARES DIEZ MIL CON 00/100

La validez de este crédito queda sujeta a la certificación de nuestra máquina de crédito

CUENTA N°

\$ 10.000,00

8 - OCT 1986

OCT 1986

56,90

569.000,00

Partially Declassified/Released on 3 FEB 88
 Imp. Exec. Ord. 12161 200-10865
 under provisions of E.O. 12356
 by K. Johnson, National Security Council

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OCT 1986

A favor de

04-11-86 /

UNCLASSIFIED

No. 320728

INSTRUCCIONES RECIBIDAS DE:

CREDIT SUISSE

telex.

ORDEN DE PAGO No.
de orden de **el mismo**
por cuenta de **idem.**
por la suma de

ZA 110392500866./
REF: OCTUBRE 86

E X 0266

US\$10.000,00 / < US DOLARES: DIEZ MIL CON 00/100

Y que liquidamos y pagamos

RECIBIDO

- ☒ acreditando la cuenta corriente del Beneficiario No.
☐ bajo estricta identificación

Firma del(s) beneficiario(s)

Me (nos) comprometemos con **[REDACTED]**
para hacer devolución
inmediata de esta suma, en caso de que se incurra
en duplicación o si por cualquier motivo este
cheque no correspondiera

EJECUTADA EL

05-11-86

al T.C. 57,20 / % \$ 572.000,00 /

CÓDIGO DE VERIFICACIÓN: 110392500866 CON 00/100

COPIA CLIENTE

Forma. N° 06-31-2

NOTA DE CREDITO

N° 18958

CERTIFICATION

XXXXX 3060-00

Hemos ACREDITADO en su agradable cuenta corriente, según el siguiente detalle:

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under provisions of E.O. 12356
by K. Johnson, National Security Council

EJECUCION DE NUESTRA OP 320728./

LA SUMA DE
DOLARES DIEZ MIL CON 00/100

\$ 10.000,00

La validez de este crédito queda sujeta a la certificación de nuestra máquina de control.

CUENTA N°


572.000,00

5 - NOV 1986

NOVIEMBRE '86

Imp. Buel. Cst. 13181 200

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4017

Declassified/Release on 18 Dec 87
under provisions of E.O. 12958
[redacted] National Security Council
K. JOHNSON

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1

UNITED STATES SENATE

SELECT COMMITTEE ON
SECRET MILITARY ASSISTANCE TO
IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF GLENN A. ROBINETTE

Washington, D.C.

Friday, March 27, 1987

Deposition of GLENN A. ROBINETTE, called for
examination by the Senate Select Committee on Secret Military
Assistance to Iran and the Nicaraguan Opposition, at the
Senate Hart Office Building, Room 901, at 10:30 a.m.,
before DAVID L. HOFFMAN, a Notary Public within and for the
District of Columbia, when were present:

JOHN D. SAXON, ESQUIRE
Associate Counsel
Senate Select Committee
Hart Senate Office Building
Room SH-901
Washington, D.C. 20510
On behalf of the Committee.

MARK H. TUOHY, III, ESQUIRE
Attorney at Law
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C. 20036

Declassified/Release on 18 Dec 87
under provisions of E.O. 12958
by [REDACTED], National Security Council
K. JOHNSON

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2

TABLE OF CONTENTSWITNESSEXAMINATION

Glenn A. Robinette
By Mr. Saxon

3

EXHIBITSIDENTIFIED

1
2
3
4
5

11
12
12
13
19

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UNCLASSIFIEDP R O C E E D I N G S

Whereupon,

GLENN A. ROBINETTE

was called as a witness and, having been first duly sworn,
was examined and testified as follows:

EXAMINATION

BY MR. SAXON:

Q Mr. Robinette, would you state for the record,
please, your full name.

A Glenn A. Robinette.

Q Your address, sir.

A 3265 Arcadia Place, N.W., Washington, D.C.

Q Could you tell us by whom you are employed, sir.

A I am self-employed.

Q What would be the name of the entity under which
you do business?

A Glenn Robinette & Associates.

Q What is your business address?

A The same as the home address.

Q What is the nature of the business that Glenn
Robinette & Associates engages in?

A I do security consulting, consulting on security

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SECRET

UNCLASSIFIED

4

type projects.

Q Could you elaborate a bit on that?

A Yes. Individuals, businesses or companies require advice and guidance on physical security, personal security, technical security.

Q Okay. Do you or did you ever have any relatives who worked for the Federal Bureau of Investigation?

A No, I did not.

MR. TUOHEY: Off the record.

(Discussion off the record.)

BY MR. SAXON:

Q Mr. Robinette, I'd like to inquire into matter which has received some public notice within the last few weeks involving a security system installed at the home of LTCOL Oliver North.

First question, do you, sir, know LTCOL Oliver North?

MR. TUOHEY: I object to the question on the grounds of privilege, and I instruct my client not to answer. Now, you can leave this on -- you can leave it on the record. How is it best handled for you?

MR. SAXON: I do not care whether you assert

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privilege on behalf of your client. I see no reason to go through the process of having him do it. I would, however, like to ask the questions which I would have otherwise asked.--

MR. TUOHEY: Fine.

MR. SAXON: -- for purposes of ascertaining where privilege does and does not apply.

MR. TUOHEY: Why don't we do this then, to make it simple. I will just say we assert the privilege in response to the question, or do you want me to object? Whichever is easiest. It is going to be a transcript for the Committee. I will object and assert the privilege.

MR. SAXON: Okay.

BY MR. SAXON:

Q Have you ever met Colonel North?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever done any work for Colonel North?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever done any work on behalf of or as a

UNCLASSIFIED

UNCLASSIFIED

favor to Colonel North?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever had a conversation with Richard Secord? Did you have a conversation with Richard Secord sometime in the time frame of late spring or early summer 1986 regarding Colonel Oliver North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever spoken with a Mr. Ben Chatham of Automatic Door Specialists?

MR. TUOHEY: Same objection.

MR. SAXON: That objection would be as to any conversation of any nature?

MR. TUOHEY: Yes. Yes, it would, although, it would make it easier for my client and I to respond, John, if you are going to go beyond the time frame at issue, which I guess, based on what's public, a matter of public record, the period of 1986 through the present -- if your question is, have you ever had a conversation of any kind with an individual other than during this period, we might have a

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different response.

BY MR. SAXON:

Q Have you ever had a conversation with Mr. Ben Chatham of Automatic Door Specialists about doing any work for Colonel North?

MR. TUOHEY: Object to the question and assert the privilege.

BY MR. SAXON:

Q Have you ever had any conversation with Mr. Chatham regarding doing any work for an associate who press reports suggest -- an associate of yours whom press reports suggest would have been Colonel North?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever had a conversation with Mr. Chatham regarding doing any work to install a security system at 703 Kentland Drive, Great Falls, Virginia?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Have you ever been to 703 Kentland Drive, Great

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Falls, Virginia?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Do you know, sir, who lives at 703 Kentland Drive, Great Falls, Virginia?

A MR. TUOHEY: Same question.

BY MR. SAXON:

Q Have you ever met Mr. Chatham at a private home, a private residence for a job that Automatic Door Specialists was to do?

MR. TUOHEY: Other than what has been previously described?

MR. SAXON: That's correct.

MR. TUOHEY: Other than the address you've just given or including?

MR. SAXON: Including.

MR. TUOHEY: Object to the question and assert the privilege.

BY MR. SAXON:

Q Have you ever told Mr. Chatham that a party living at 703 Kentland Drive was an associate of yours?

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MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Did you ever receive an invoice from Automatic Door Specialists for a job done at 703 Kentland Drive, Great Falls, Virginia?

MR. TUOHEY: Object to the question; assert the privilege.

BY MR. SAXON:

Q Did you ever call Mr. Ben Chatham of Automatic Door Specialists upon receipt of an invoice and ask him to meet you for dinner?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you, in fact, ever meet Mr. Chatham for dinner at a Japanese restaurant in Silver Spring, Maryland, or, for that matter, in any other restaurant?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you, over dinner with Mr. Ben Chatham at a restaurant in Silver Spring, Maryland, present him an envelope with cash in the amount of \$2173?

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MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever called Mr. Chatham of Automatic Door Specialists with regard to servicing a home security system, gate intercom at 703 Kentland Drive at Great Falls, Virginia, after such time as the system was installed?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever discussed with Mr. Chatham, apart from the job referenced in Great Falls, Virginia, doing business with him overseas?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever discussed with him doing business in the Far East or other parts of the world, which you are not at liberty to disclose?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever discussed with him doing business overseas involving electronic devices on buildings?

MR. TUOHEY: Same objection.

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BY MR. SAXON:

Q Have you ever discussed with him doing business overseas, in which his employees would require government security clearances?

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MR. TUOHEY: Same objection.

MR. SAXON: I would like to present to you some documents, which I would ask be marked in order as Deposition Exhibit 1, 2 and 3, and ask you to refer to, if you would, Mr. Robinette, Deposition Exhibit 1, which is a proposal submitted to Glenn Robinette & Associates by Automatic Door Specialists, presented by, if you look at the authorized signature block, Mr. Benjamin P. Chatham. This is the date of June 17, 1986, and I would ask you if you have ever seen that before.

(Exhibit 1 identified.)

MR. TUOHEY: On the basis of what has been previously asserted as the objection by Mr. Robinette, more specifically under the Fisher Doctrine, we respectfully decline to answer the question on the grounds of privilege.

BY MR. SAXON:

Q I would ask you, Mr. Robinette, if you could verify for the committee whether that is, indeed, your

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signature at the bottom of Exhibit 1.

MR. TUOHEY: Same objection as just made.

BY MR. SAXON:

Q I would ask that you look at what has been marked as Deposition Exhibit 2, which is a letter on the letterhead of Automatic Door Specialists to Glenn Robinette & Associates, signed by Benjamin P. Chatham, dated July 7, 1986, and ask you if you have ever seen that letter before.

(Exhibit 2 identified.)

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q I would ask you if you have any confirmation of the facts asserted in that letter.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q I would ask you then to look at Deposition Exhibit 3, which is an invoice from Automatic Door Specialists, Job Invoice No. 2747, billed to Glenn Robinette & Associates, and ask you if you've ever seen this invoice.

(Exhibit 3 identified.)

MR. TUOHEY: Same objection.

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BY MR. SAXON:

Q I would ask you if you have paid the amount circled on that invoice of \$2173 to Automatic Door Specialists.

MR. TUOHEY: Same objection. John, are we entitled to have a copy of this or not?

MR. SAXON: Yes. There's a copy unmarked as to deposition exhibit number, and those are for your purposes, and those are for you.

MR. TUOHEY: Thank you.

BY MR. SAXON:

Q Mr. Robinette, I referenced at the outset that some of the matters I have inquired about have appeared in public, for which reason I would like to ask you some questions about some newspaper articles. I will give you these as your copies to have and take with you.

The first newspaper article, which I have asked be marked Deposition Exhibit 4, is a story from the Washington Post of March 17, 1987, by George Lardner, Jr., with the headline, "North Given Gift of Home Security: A \$2,000 Gate."

(Exhibit 4 identified.)

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BY MR. SAXON:

Q I would ask you first if you are familiar with, or have any knowledge of that Washington Post article.

MR. TUOHEY: While I would, reflexively, based on the context of this deposition, assert the privilege, I want to be sure that I am doing it accurately.

MR. SAXON: Do you need a moment to read the article?

MR. TUOHEY: If your question is, has Mr. Robinette read the article, he can answer it.

If your question is, is he familiar with the contents reflected therein, that is a different question.

MR. SAXON: All right. Let me take them in order then.

BY MR. SAXON:

Q Mr. Robinette, you see the article in front of you. Have you read that article, sir?

A Yes, I have.

Q Can I ask you if there is anything in that article which you find to be inaccurate?

MR. TUOHEY: Object to the question and assert the privilege.

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BY MR. SAXON:

Q Can I ask you, then, whether you can confirm any of the facts stated in that article and attributed to you, sir.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you, within the last month, spoken to George Lardner, Jr., of the Washington Post?

MR. TUOHEY: You may answer that question.

Have you spoken to Mr. Lardner?

THE WITNESS: Subsequent to this?

MR. TUOHEY: No, in the last month at all, have you spoken to Mr. Lardner?

THE WITNESS: Yes.

BY MR. SAXON:

Q Did you tell him you heard about Colonel North's security problems with "terrorists and people like that" in a Northern Virginia bar one evening?

MR. TUOHEY: Object to the question and assert the privilege, and I will object and assert the privilege to each and every question regarding the contents of the interview, although you can ask them, John.

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BY MR. SAXON:

Q Did you tell Mr. Lardner that Richard Secord told you of Oliver North's difficulties, after Colonel North was publicly linked to aid for the contras?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that you were a "security consultant"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, "General Secord told me to talk to him," meaning Colonel North? Continuing the quotation, "I think there had been some things put in the mailbox, potential explosives. And there was also some concern about cars driving onto the property."

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that the bill for this job was "around \$2,000"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that you paid for that

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bill upon receipt of the invoice, in cash?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, "I considered it worth it as perhaps a business venture"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, that you hoped Colonel North would steer some business your way?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner -- excuse me. Did you suggest to a reporter that you had in mind putting in more gates for North's friends and neighbors?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, you did not regard paying for the gate in cash as "a very unusual deal. I pay in cash for a lot of things"?

MR. TUOHEY: Same objection?

BY MR. SAXON:

Q Did you tell Mr. Lardner that you still expected

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expected Colonel North to pay you back one day?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner of Colonel North, "He'll pay. I look at it as simple business. He's a hell of a nice guy. Very nice family. Super kids. He just wasn't able to come up with the money"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that you met General Secord through Thomas G. Clines?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner that you have known Thomas G. Clines for than 30 years?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Lardner, of our committee, "They must think I've been moving money"?

MR. TUOHEY: Same objection.

MR. SAXON: I'd like to invite your attention and that of your counsel to Deposition Exhibit No. 5, which is

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a newspaper article in the Chicago Tribune on the date of March 18, 1987, by Mr. Michael Tackett and William Gaines, with the headline, "North Financial Aid Arranged by Secord."

(Exhibit 5 identified.)

BY MR. SAXON:

Q I would ask you, sir, whether you have read that article before.

MR. TUOHEY: Have you read it?

THE WITNESS: Yes, recently.

BY MR. SAXON:

Q Thank you.

Did you ever talk with either Mr. Tackett or Mr. Gaines?

A Yes.

Q Could you tell us which? Mr. Tackett?

A Yes. Mr. Tackett.

Q Mr. Gaines?

A No.

Q So you talked only with Mr. Tackett.

Did you ever tell Mr. Tackett that you paid \$2000 cash to a contractor to install a security system for Colonel North?

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MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you have billed North for work but have not been paid?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Could you tell us when you billed Colonel North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that General Second approached you last spring to the effect that Colonel North was concerned about security and a possible terrorist attack on his home or his person?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you called North and said you would arrange to have a security system installed?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you paid a contractor \$2000 in cash and billed Colonel North for the work?

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MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that Colonel North had not yet repaid you?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you were a business associate of Mr. Clines'?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that Mr. Clines introduced you to General Secord several years ago?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you denied any impropriety in paying for the gate?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you exchanged letters with Colonel North about the debt?

MR. TUOHEY: Same objection.

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BY MR. SAXON:

Q Did you tell Mr. Tackett that you expected to be paid by Colonel North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that Colonel North indicated in his letter to you that he was strapped for cash?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever received a letter from Colonel Oliver North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett of the security system and its installation, "It's an innocuous thing"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett -- excuse me -- "It's just a remote control gate"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett, speaking of

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Colonel North, "He told me he was really concerned about terrorists. He was concerned about his kids and all"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that you told North that the security gate and the intercom system would help protect his family and home?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that you believed the installation of the gate at Colonel North's home might benefit your own business.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell him, "I was hoping to get more business. He volunteered if I wanted that if I wanted to use the gate as a reference for other business, he wouldn't mind"?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that Secord approached you about helping Colonel North?

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BY MR. SAXON:

Q Did you ever tell Mr. Tackett, "Secord said here's the phone number. Call him up," meaning Colonel North?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that after the gate was installed, Colonel North wrote you a letter thanking you for your concern for his family?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you ever tell Mr. Tackett that you had no other business dealings with Richard Secord?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did you tell Mr. Tackett that you and Thomas Clines had been business partners in several business ventures in conjunction with one of which you're codefendants in a breach of contract suit on appeal before a federal appeals court in in Richmond, Virginia?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Can you tell us anything that you did tell

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Mr. Tackett in the conversation which you have previously acknowledged?

MR. TUOMEY: Same objection.

BY MR. SAXON:

Q Can you tell us anything that you told to Mr. Lardner in the earlier conversation you've acknowledged?

MR. TUOMEY: Same objection.

BY MR. SAXON:

Q Mr. Robinette, were you ever employed by the Central Intelligence Agency?

MR. TUOMEY: You may answer that.

THE WITNESS: Yes, I was.

BY MR. SAXON:

Q Could you tell us the approximate dates of your employment?

A 1951-1971.

Q Can you tell us the nature of your work for the agency?

MR. TUOMEY: John, I'm going to object, not on the grounds of self-incrimination privilege, but on the grounds that Mr. Robinette, when he retired from the Central Intelligence Agency, signed an agreement that he would never

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disclose the details of his employment. I can formalize that in a national security type assertion, but for the moment, I am going to instruct the client not to answer the question.

MR. SAXON: Let me say for the record, that this a cleared deposition. Our court reporter is cleared at the secret level. I am cleared at top secret and compartmented information. Whether that assists you in revising your previous answer, I don't know.

MR. TUOHY: It does not assist me today. It may assist me at a further discussion down the road, and I would have to review the terms of that agreement before I advised my client.

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MR. SAXON: Okay.

BY MR. SAXON:

Q If you can't describe the exact nature of your work for the agency, could you state for the record your position or title at the CIA for any or all of your positions?

MR. TUOHY: I believe the same objection would apply at this point. I will review the agreement, the security agreement that was signed by my client, and at a future date, maybe we will be able to discuss this, but for

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the moment, I am going to have to instruct him to respectfully decline to answer the question.

BY MR. SAXON:

Q Are you now employed by the Central Intelligence Agency?

A No, I'm not.

Q Have you been employed by the agency since leaving in 1971?

MR. TUOHEY: I instruct the witness not to answer the question on the grounds of privilege.

MR. SAXON: Privilege as to security?

MR. TUOHEY: Yes.

MR. SAXON: That objection would likewise apply to the question; have you ever done any work on a contract basis for the agency, since leaving in 1971?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever done any work as a security consultant for the United States Capitol?

MR. TUOHEY: You may answer.

THE WITNESS: No.

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BY MR. SAXON:

Q Have you ever done any work as a security consultant at the White House?

A No, I have not.

Q Have you ever done any work as a security consultant, after leaving the agency in or for clients in South Africa or doing work in South Africa?

A No, I have not.

Q The same question as to the Middle East.

MR. TUOHEY: I am going to instruct my client not to answer the question, on the grounds of his Fifth Amendment privilege.

BY MR. SAXON:

Q The same question as to the State of California.

MR. TUOHEY: As to all client questions, since his retirement from the CIA -- well, I will listen to each one, but as to California, while that's very general, and I admit that to you, it's very general, I am going to err on the side of caution and advise him not to answer the question, on the grounds of privilege.

BY MR. SAXON:

Q Have you ever done any work, since retiring from

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the CIA, security work, on the premises of or involving aircraft hangars?

MR. TUOHEY: I am going to object to the question and instruct my client not to answer.

BY MR. SAXON:

Q Have you done any work as a security consultant involving security fences?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you done any work as a security consultant involving radar devices, in general?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q A specific question, as to Central America.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q The same question regarding nuclear power plant security in South Korea.

MR. TUOHEY: You may answer that question.

THE WITNESS: No.

BY MR. SAXON:

Q Have you ever had any involvement with a business

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entity entitled EATSCO?

MR. TUOHEY: I object to the question and instruct my client not to answer.

MR. SAXON: On what basis?

MR. TUOHEY: Fifth Amendment.

BY MR. SAXON:

Q Have you ever been interviewed by law enforcement authorities or authorities within the criminal justice system at either the state or federal level, to include prosecutors, with regard to EATSCO?

MR. TUOHEY: May I consult my client?

MR. SAXON: Yes.

(Discussion off the record.)

MR. TUOHEY: The question is whether he was ever interviewed by a law enforcement official of any type with respect to EATSCO?

MR. SAXON: That's correct.

MR. TUOHEY: I'm going to instruct my client not to answer the question on the grounds of privilege.

BY MR. SAXON:

Q Let me narrow it then and ask whether you've ever been interviewed by authorities regarding EATSCO, who are at

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the state level?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Same question as to federal law enforcement authorities.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever testified before a grand jury investigating matters involving EATSCO?

MR. TUOHEY: You can answer that question.

THE WITNESS: Yes.

BY MR. SAXON:

Q Can you tell us whether that was a federal or state grand jury?

MR. TUOHEY: Do you know?

THE WITNESS: I don't know. I know where it was.

BY MR. SAXON:

Q Can you tell us that?

A Virginia. Alexandria, Virginia.

Q Northern Virginia?

A Yes.

Q Can you tell us anything about the nature of that

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testimony.

MR. TUOHEY: I'm going to object to the question on the grounds of privilege.

BY MR. SAXON:

Q Could you tell us the approximate date of that testimony before the grand jury in Alexandria, Virginia?

MR. TUOHEY: You may answer the question.

THE WITNESS: The reason I'm acting vague, is damn -- that -- I'm going to guess, subject to my trying to scratch my head -- with records -- '82 or '83. I am sure it's a matter of record. It seemed to me it was hot.

BY MR. SAXON:

Q Thank you. Do you know an individual named Thomas G. Clines?

MR. TUOHEY: Object to the question on the grounds of privilege and instruct the witness not to answer.

BY MR. SAXON:

Q Have you ever done work for Mr. Clines.

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Are you familiar with Systems Services International. Inc?

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MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have knowledge of Systems Services International, Inc. paying a fine in 1984 in the amount of \$100,000?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever been involved with a business arrangement, whether totally private or on behalf of an entity or agency of the United States Government to sell arms to Mr. Somoza in Nicaragua?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Erik von Marbaden?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. von Marbaden?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know John Sinlaub?

MR. TUOHEY: You may answer that.

THE WITNESS: No.

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BY MR. SAXON:

Q Do you know Robert Dutton?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Dutton?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Richard Gad?

MR. TUOHEY: You may answer that.

THE WITNESS: No.

BY MR. SAXON:

Q Do you know Albert Hakim?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Hakim?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Robert Owen?

MR. TUOHEY: Same objection.

MR. SAXON:

Q Have you ever worked for or with Mr. Owen?

MR. TUOHEY: Same objection.

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BY MR. SAXON:

Q Do you know Richard Secord?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Secord?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Robert Lilac?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you worked for or with or met Mr. Lilac?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Theodore Shackley?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Shackley?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Rafael Quintero?

MR. TUOHEY: Same objection.

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BY MR. SAXON:

Q Have you ever worked for or with Mr. Quintero?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Carl Channel?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Channel?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Mr. Felix Rodriguez, also known as
Max Gomez?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked with Mr. Rodriguez, either
with or for him under that name or that of Mr. Gomez?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you know Mr. Richard Miller?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Mr. Miller?

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MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have any knowledge you have gained, other than from general news accounts, regarding activities on behalf of the United States within the period from 1981 to present, to sell, transport or ship arms, directly or indirectly to Iran?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have any independent knowledge gained separate and apart from press accounts, dating to roughly late November 1986, regarding efforts to supply arms, ammunition or other military equipment to the opposition forces in Nicaragua, otherwise known as the contras?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have any independent knowledge, other than that gained from general news accounts since the post-November '86 period regarding efforts to divert money from the profits gained from the sale of arms to Iran to the opposition forces in Nicaragua, otherwise commonly known as the contras?

MR. TUOHEY: Same objection.

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BY MR. SAXON:

Q Do you have any independent knowledge, gained apart from general news accounts, regarding American hostages held in Lebanon?

MR. TUOHEY: You may answer that question.

THE WITNESS: Would you say that again, please? I'm listening closely, but I miss.

BY MR. SAXON:

Q If I need to restate it further, just tell me.

Do you have any knowledge, independent of general news accounts regarding American hostages held in Lebanon?

A No, I don't.

Q Do you have any knowledge -- excuse me. Let me rephrase that.

Have you ever worked for or with Global American Resources?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Transworld Arms, Inc.?

MR. TUOHEY: Same objection.

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BY MR. SAXON:

Q Have you ever worked for or with Edwin Wilson?

MR. TUOHEY: Same objection. Well, let me just say this for the record. Mr. Wilson and Mr. Robinette were in the Central Intelligence Agency during some of the same years. My client, in response to your question, would testify that he has met Mr. Wilson, has never had any professional dealings with him, has never worked on any project in or out of the Central Intelligence Agency with him, but if he saw him in a room, would he know who he was, yes. But he's had no relationship. And since that name has special character in this city, given his activities and criminal involvement, I want my client to answer those questions directly without an assertion of privilege.

So you may ask anything you like about Mr. Wilson.

BY MR. SAXON:

Q Do you know Mr. Edwin Wilson?

A Yes, I do.

Q Apart from the period of your employment at the Central Intelligence Agency, have you ever worked for Mr. Wilson?

A No, I have not.

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Q You never swept an office for Mr. Wilson in Washington, D.C.?

A To my recollection, no. I had been requested. That was one of the things he asked me. I was trying to remember. I did an adjoining suite.

Q Would that have been on K Street in Washington, D.C.?

A Uh-huh.

Q Would that have been at the request of Mr. Wilson?

A I doubt it. I dealt directly with the principal who occupied it, an entirely different company.

Q So if I understand your testimony, you never swept an office owned, used or rented by Mr. Wilson, immediately after federal authorities had entered into his suite and engaged in activities which led Mr. Wilson to believe that they might have bugged his office?

A No, sir. But I can recall him asking me to do that. And it might have been at that breakfast up at the University Club. I may be wrong on that, but it's a long time ago, but no, sir.

Q Have you ever rented a space from Mr. Wilson?

A No.

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41

Q Have you ever done contract work for Mr. Wilson?

A No.

Q With regard to all previous questions asking whether you have done work for Mr. Wilson, have you also ever done work for any businesses which he owned or was associated with?

A No.

Q Have you ever swept offices which were for corporations owned or associated with Mr. Wilson?

A Not to my knowledge.

Q Have you ever worked for or with Udall Corporation?

MR. TUOHEY: Object to the question. I instruct the witness not to answer on ground of privilege.

BY MR. SAXON:

Q Have you ever worked for or with Udall Research Corporation?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Udall Resources, Inc., S.A.?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Systems Services

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International?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Do you have any knowledge, independent of general news accounts, of Project Democracy?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Corporate Air Services?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Intercontinental Technology?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with IBC?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Stanford Technology Corporation?

MR. TUOHEY: Same objection.

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BY MR. SAXON:

Q Have you ever worked for or with Lake Resources?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Have you ever worked for or with Southern Air Transport?

MR. TUOHEY: Same objection.

BY MR. SAXON:

Q Did Thomas Clines ever employ you in any way, in order to help incriminate Edwin Wilson?

MR. TUOHEY: Same objection.

Can we just finish one thing

(Discussion off the record.)

THE WITNESS: Would you say it again? I am certain of my answer, but I want to be sure I understood your question.

BY MR. SAXON:

Q I apologize for an unintentionally vague question.

A It sounds clear, but it sounds odd.

Q Have you ever been employed by or worked for or with Thomas G. Clines in an capacity in which he instructed you, suggested to you or importuned you to, in any way,

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incriminate Edwin Wilson?

A No.

Q Do you know a woman by the name of Charlene Brill?

A Yes.

Q Can you tell us how you came to know her?

MR. TUOHEY: Object to the question on the grounds of privilege; instruct the witness not to answer.

BY MR. SAXON:

Q Can you tell us for what period of time you've known Ms. Brill?

MR. TUOHEY: Same objection.

MR. SAXON: That would be the objection under the Fifth Amendment privilege and not going to security?

MR. TUOHEY: Yes.

BY MR. SAXON:

Q Did you work with Ms. Brill while at the Central Intelligence Agency?

MR. TUOHEY: Same objection.

MR. SAXON: I'm sorry. Which?

MR. TUOHEY: Fifth Amendment.

BY MR. SAXON:

Q Did you ever sweep an office for Bob Gray in

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Washington, D.C.?

MR. TUOHEY: You may answer that.

THE WITNESS: Yes.

BY MR. SAXON:

Q Have you given any testimony in the matters which have become known as the Iran-Contra Affair before the U.S. House of Representatives?

MR. TUOHEY: You may answer that.

THE WITNESS: NO.

BY MR. SAXON:

Q Have you been contacted by anyone employed by the U.S. House of Representatives in this matter?

MR. TUOHEY: I will state for the record that a bureau agent contacted my client last evening from the Special Prosecutor's Office and encouraged him to come down and discuss matters. I have not talked to him, but my client advised the agent that he has counsel, and that I should be contacted. There's been no contact from the House side.

BY MR. SAXON:

Q Do you have any documents which were requested under the Committee's subpoena of March 16, which you have

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brought with you today?

MR. TUOHEY: John, I have documents in my possession which my client has given to me.

MR. SAXON: Pertaining to matters subject to the subpoena?

MR. TUOHEY: Pertaining to matters subject to the subpoena, which I have examined carefully.

I have concluded that in each and every one of those documents, the Fisher Doctrine of implied self-authentication would permit me to, and I do so assert the privilege on my client's behalf with respect to those documents.

BY MR. SAXON:

Q So you have no documents to present to the Committee today?

MR. TUOHEY: Correct.

MR. SAXON: I believe that completes the questions that I would have at this time.

Is there further statement that you or your client would wish to make?

MR. TUOHEY: No. Other than to say, we're prepared to be present, and it is not necessary for you to issue a

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47

formal subpoena. If you will call me, I will have my client prepared to meet any mutually convenient dates.

MR. SAXON: For purposes of public testimony? Is that what we're talking about?

MR. TUOHEY: Whatever. You don't need to subpoena my client from this point forward. You can call me or notify me in writing, although it is not necessary to do it in writing. I will waive any formal requirements of a subpoena.

MR. SAXON: Very good. Thank you.

(Whereupon, at 11:15 a.m., the taking of the deposition was concluded.)

Glenn A. Robinette

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CARDKEY Security Systems
DOR-O-MATIC Automatic Doors
STANLEY Parking Gate & Fence Controls

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ADS

132 Washington Boulevard
Laurel, Maryland 20707
Balt. 301-792-4090 Wash. 301-953-7900

Automatic Door Specialists

PROPOSAL SUBMITTED TO Glenn Robbette and Associates		PHONE 966 - 5873	DATE June 17, 1986
FREET 3365 Arcadia Place, NW		JOB NAME Private Residence	
TY. STATE AND ZIP CODE Washington, D.C. 20015		JOB LOCATION Kentland Drive, Great Falls, Virginia	
ARCHITECT -----	DATE OF PLANS -----	JOB PHONE -----	

We hereby submit specifications and estimates for

Automatic Door Specialists (ADS) will automate the existing gate using an Edko Medium Duty Swing Gate Operator. To accommodate automation of gate, ADS will remove existing wooden gate post, replace it with a metal post painted white.

In conjunction with automation of the gate, ADS will provide one Multi-Elmac Receiver and two Multi-Elmac Single Button Transmitters to operate gates from an automobile.

ADS also will install an Aiphone Intercom consisting of an IBG-1GD Master Station inside the front door, and IBG-1HD Additional Master on the upstairs bedroom, and an IB-DA Door Station on a post outside the gate.

ADS will install intercom wiring through existing conduit and will obtain power from existing box in the yard near the gate location.

Quoted price doesnot include price of permits, if needed.

GUARANTEE - Material & Equip. - 1 yr. Labor - 3 mo.

*authr
+ 19 in
+ 1 Receiver =
\$2173.*

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

Two thousand one hundred fifty-four dollars (\$ 2,154.00)

Payment to be made as follows:

1% discount / 20 day. Net 30. A 1% service charge will be charged 30 days

after the date of the invoice.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature *Bryan B. Chatham*
Bryan B. Chatham
Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: *26 June '86*

Signature *Glenn Robbette*

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AUTOMATIC DOOR

Ex 4.2

3/27/87 *BJH*

49

X 0268

SPECIALISTS

132 WASHINGTON BOULEVARD LAUREL MARYLAND 20707-4397 • WASHINGTON 953-7900 BALTIMORE 792-4090

July 7, 1986

Glen Robinette and Associates
3265 Arcadia Place, NW
Washington, DC 20015

Dear Mr. Robinette:

Attached is an invoice for \$ 2,173.00. This amount represents the original \$ 2,154.00 contracted for, plus \$ 19.00 for an additional radio transmitter.

Mr. Robinette, Automatic Door Specialists appreciates the business represented by this invoice. If we may provide additional assistance to you in the future, please do not hesitate to contact me.

Very truly yours,

AUTOMATIC DOOR SPECIALISTS

Benjamin P. Chatham
Benjamin P. Chatham
Operations Director

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AUTOMATIC DOOR SPECIALISTS

132 WASHINGTON BOULEVARD
LAUREL, MARYLAND 20707-4397PHONE WASHINGTON 933-7900
BALTIMORE 797-6090

JOB INVOICE

DOOR CONTROLS

SECURITY CARDS

PARKING GATES

BILL TO	Glenn Robinette and Associates	7/7/86
ADDRESS	3365 Arcedia Place NW	DATE OF ORDER
CITY	Washington, D. C. 20015	7/7/86
JOB	Private Residence, Kentland Drive, Great Falls, Va.	

Original Contract \$2,173.00

This Includes

One edko Medium Duty Swing Gate Operator

One Multi-Phase Receiver and 2 Multi-Phase
single button transmitters

One TR-100 Master Station

One TR-100 Slave Station

One TR-100 Slave Station

Install intercom wiring

Installation for the above.

Contract 1-2 Comp. \$2,173.00

Pd 7/10/86
Pd cash

AMOUNT CHARGE	AN
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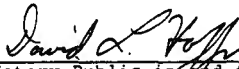
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3/27/87 DH 50

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UNCLASSIFIEDCERTIFICATE OF NOTARY PUBLIC & REPORTER

I, David L. Hoffman, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires 6/30/90

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TRANSCRIPT OF PROCEEDINGS

SELECT COMMITTEE TO INVESTIGATE COVERT

ARIS TRANSACTIONS WITH IRAN

U. S. HOUSE OF REPRESENTATIVES

--and--

SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE

TO IRAN AND THE NICARAGUAN OPPOSITION

UNITED STATES SENATE

* * *

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Deposition of GLENN A. ROBINETTE

* * *

Washington, D. C.
 June 17, 1987

Pages 1 thru 85

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1

SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
and
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

Washington, D.C.
Wednesday, June 17, 1987

The deposition of GLENN A. ROBINETTE, called for examination in the above-entitled matter, pursuant to notice, in the offices of the Senate Ethics Committee, Room 220, Hart Senate Office Building, Washington, D.C., convened at 10:41 a.m., before Pamela Briggie, a notary public in and for the District of Columbia, when were present on behalf of the parties:

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APPEARANCES:

On Behalf of the Select Committee on Secret Military Assistance to Iran and Nicaraguan Opposition of the United States Senate:

PAUL BARBADORO
Deputy Chief Counsel
~~KENNETH BALEN, Staff Counsel~~
JOHN R. MONSKY, Staff Counsel
Room 901
Hart Senate Office Building
Washington, D.C.

On Behalf of the Select Committee to Investigate Arms Transactions with Iran of the U.S. House of Representatives:

Kenneth Ballen, Staff Counsel
GEORGE W. VAN CLEVE, *Minority Chief Counsel*
Room H-449, U.S. Capitol
House of Representatives
Washington, D.C.

On Behalf of the Witness:

MARK H. TUOHEY, III, ESQUIRE
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C.

Also Present: Thomas Polgar

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3

UNCLASSIFIED**C O N T E N T S****WITNESS****EXAMINATION****GLENN A. ROBINETTE**By Mr. Barbadoro
By Mr. Van Cleve

4

E X H I B I T S**NUMBER****FOR IDENTIFICATION**

GR-1	4
GR-2A-B	4
GR-3	4
GR-4A-B	4
GR-5A	4
GR-6A-B	4
GR-7A-F	4
GR-8A-E	4
GR-9A-B	4
GR-10A-B	4
GR-11A-B	4

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pb4

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P R O C E E D I N G S

Whereupon,

GLENN A. ROBINETTE

was called for examination by counsel for the Plaintiff and having been first duly sworn by the notary public, was examined and testified as follows:

MR. BARBADORO: Mr. Robinette, it's my understanding that you intend to rely on your Fifth Amendment rights and not to testify to the committee in this or any other proceeding unless you are ordered to by a court and granted limited use immunity. Is that correct?

THE WITNESS: That's correct.

MR. BARBADORO: I want to give you now copies of orders obtained from the United States District Court for the District of Columbia for both the House and the Senate. These orders compel you to testify and grant you limited use immunity.

I give you a copy of these orders and also have them marked for the record.

Partially Declassified/Released on DEC 30 1987
under provisions of E.O. 12356
by D. Egan, National Security Council

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[Robinette Deposition Exhibit Nos.

GR-1, 2A-C, 3, 4A-B, 5A-B, 6A-B,
7A-F, 8A-E, 9A-B, 10A-B and 11A-B
were marked for identification.]

MR. TUOHEY: For the record, we are satisfied with both orders and we intend to proceed accordingly.

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1 MR. BARBADORO: Thank you, Mr. Tuohy.

2 EXAMINATION

3 BY MR. BARBADORO:

4 Q Mr. Robinette, I want to get right to the point
5 here and start in asking you questions about what you did
6 with Richard Secord in 1986. And let me first ask you, did
7 there come a time in March of 1986 when you were hired by
8 Richard Secord to do some work for him?

9 A That's correct.

10 Q And do you know the date that you were hired by Mr.
11 Secord?

12 A No, it would probably be the last week of March; in
13 that time period.

14 Q I want to show you Exhibit GR-1, which is your
15 calendar for the year 1986 and ask you to look at it and turn
16 your attention to the month of March of 1986. In reviewing
17 that calendar, I see only one meeting with Richard Secord in
18 March, and that was on March 19.

19 Could you look at that exhibit and tell me, was
20 that the date where Mr. Secord hired you?

21 A I see it. I can't accurately testify as to the
22 19th, but it certainly is in that time span of the last--the
23 latter part of the last week of March, to my recollection.

24 Q That calendar entry for March 19 reflects the fact
25 that there was a meeting between you and Mr. Secord on that date, is that correct?

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- 1 Tom, which would be Tom Clines, correct?
- 2 A Tom Clines, yes.
- 3 Q And Chi-Chi, which would be Chi-Chi Quintero; is
- 4 that right?
- 5 A Are you reading the same thing I'm reading? Yes,
- 6 excuse me, I'm sorry. I apologize. I was looking below. It
- 7 says Hoyt. I'm sorry.
- 8 Yes, that's Chi-Chi Quintero.
- 9 Q Do you recall meeting with those people at Mr.
- 10 Secord's office on March 19, 1986?
- 11 A No, I don't, but I'm sure I did.
- 12 Q Would Tom Clines and Chi-Chi Quintero have been
- 13 present on the date that Mr. Secord hired you to do work for
- 14 him?
- 15 A To my recollection, I doubt if Mr. Clines or Mr.
- 16 Quintero knew anything of General Secord's hiring me at that
- 17 time.
- 18 Q So you don't think that you would have been hired
- 19 at that meeting on the 19th?
- 20 A If I was, I don't think they would know it. It's
- 21 the kind of conversation, knowing General Secord, that he
- 22 wouldn't necessarily discuss it in front of them.
- 23 Q Do you know what the purpose of that meeting was on
- 24 March 19th?

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1 about an attorney in South Carolina--his name is Hoyt--
 2 regarding a bill, something pink slip. And I can't recall
 3 what pink slip means. It probably has something to do with
 4 payment, or I don't know.

5 Q So you can't remember what the purpose of that
 6 meeting was, correct?

7 A No, but it looks like social to me. Dinner and
 8 drinks.

9 Q In any event, you recall that you were hired by Mr.
 10 Secord some time in March of 1986, correct?

11 A Yes.

12 Q What were you hired to do?

13 A I was hired to conduct research and investigation
 14 on allegations being made against General Secord.

15 Q Can you describe in general terms what those
 16 allegations were?

17 A Yes. General Secord commented that there were
 18 people unknown to him who were saying that he was involved in
 19 drug trafficking and arms shipments and generally illegal
 20 type activities.

21 Q And what kind of investigation did he want you to
 22 do of these allegations?

23 A He said he didn't know who these people were, and
 24 he wanted to know if I could find out who they were and their
 25 background and why they would be making these derogatory.

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1 statements about him.

2 Q And how much did he propose to pay you for this
3 work?

4 A Originally we discussed it and I think we said
5 \$3,000 a month, but I asked for \$4,000 a month plus expenses.

6 Q And he agreed to pay you that amount?

7 A Yes, he agreed.

8 Q And when did you start actually working for him?

9 A Probably the first week of April.

10 Q Do you recall when you first got paid?

11 A No, I don't recall but probably toward the end of--
12 middle or end of April.

13 Q And that would have been for work you did for him
14 during the month of April and March?

15 A Yes.

16 Q Do you recall whether you were paid by check or in
17 cash?

18 A I think cash.

19 Q After the first cash payment you received from Mr.
20 Secord for this work were you later paid by check for some of
21 the work you did for him?

22 A Much later in the year.

23 Q Take a look at Exhibits 2-A, B and C.

24 A Yes, I see them.

25 Q Those are checks drawn on a Stanford Technology

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1 Trading Group International account, correct?

2 A Yes, they are.

3 Q They are made out to you?

4 A Yes, they are.

5 Q And they are signed by Richard Secord?

6 A Yes.

7 Q The first check is dated June 9, 1986, correct?

8 A Yes, it is.

9 Q And the second check is dated June 26?

10 A Twenty-four.

11 Q Twenty-four. And the third check is dated?

12 A August 11.

13 Q August 11. Are these checks that you were paid by

14 Mr. Secord for the investigative work you were doing for him?

15 A Yes, they are.

16 Q And that is for work that you did in the months of

17 May, June and July of 1986?

18 A Yes.

19 Q Did you continue to work for Mr. Secord after July

20 of 1986 on this investigative assignment?

21 A Yes, I did.

22 Q How were you paid for the work you did after July

23 of 1986?

24 A By cash.

25 Q When you were paid in cash, did you sign any

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1 receipt for the money that you received?

2 A No, I did not.

3 Q And did you keep any record of the cash payments
4 you received from Mr. Secord?

5 A No, I did not.

6 Q For how long did you continue to receive these
7 payments?

8 A I was paid up through, I think, November maybe
9 December '86, and they stopped. And then in March of '87 I
10 received one payment of \$2,000.

11 Q And that \$2,000 payment, was it in cash or was it
12 paid by check?

13 A That was a check, I believe.

14 Q Did you do investigative work for Mr. Secord for
15 which you were not paid?

16 A I continued through January, February--March was a
17 partial payment, it was \$2,000 instead of four. And I think
18 I probably stopped just about early April.

19 Q And you have not yet been paid for that work,
20 correct?

21 A No. I had told him in, I think, early January that
22 I realized he had a lot of problems, newspaper articles and
23 so forth, and would undoubtedly have other expenses, and that
24 I was willing to continue on a time available basis--my time
25 available--to receive information on the investigations that

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1 I had initiated.

2 And then in March I spoke to him along the same
3 lines, but told him that if he had any available funds they
4 would be appreciated. And I don't recall his exact words at
5 that time, but he said this was the best he could do at that
6 time and gave--I think he had his girl give me a \$2,000
7 check. I don't remember receiving it, but I got a \$2,000
8 check.

9 Q How much money does General Secord owe you for the
10 investigative work that you performed for him?

11 A Well, if we put it around \$4,000 a month up until
12 mid-April it would be maybe \$15,000, \$14,000, something like
13 that. But if he were to come into some funds and there
14 wasn't so much problem, controversy, I probably would ask him
15 for it. But I don't think I would pose that question to him
16 at this time.

17 Q Do you still expect to be paid for the work?

18 A I don't know.

19 Q Are you saying that you don't intend to ask General
20 Secord for the money at this time because you don't think he
21 has the money to pay you?

22 A That's right.

23 Q And if he does at some point have the money to pay
24 you, you intend to ask him for it?

A Yes, because I have bills

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12

1 Q Let me turn to a different subject. Did there come
2 a time in the spring of 1986 when General Secord talked to
3 you about installing a security system at the residence of
4 Lieutenant Colonel Oliver North?

5 A That's correct.

6 Q Could you look at your calendar, Exhibit 1, and
7 from that calendar can you identify the date when General
8 Secord first talked to you about installing the security
9 system?

10 A Yes, I can.

11 Q And what's that date?

12 A It's the latter part of April, April 29, 1986.

13 Q Now where were you when he brought up the subject
14 of the security system?

15 A I believe in his office in Virginia.

16 Q Was anyone else present at that meeting?

17 A No, I was in his room, in his suite in Virginia.

18 Q As of that date had you ever met Lieutenant Colonel
19 Oliver North?

20 A No, I had not.

21 Q Had you ever spoken with him?

22 A No, I had not.

23 Q Had you ever heard his name mentioned before?

24 A I think I had heard it mentioned, yes.

25 Q Who had mentioned it?

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1 A Probably General Secord or Mr. Clines.

2 Q What did they say about Lieutenant Colonel North?

3 A That he was working in the White House, and
4 probably identified him at that time as being with the
5 National Security Council. And being a very hard worker,
6 that type of thing.

7 Q Let's go back to the 29th, and can you tell me as
8 best you can remember what General Secord said to you in that
9 meeting about the need for a security system at Colonel
10 North's residence?

11 A General Secord described, mentioned that Colonel
12 North had been experiencing threats to his home. And specifi-
13 cally mentioned one in which lights were being shined on the
14 house at night, which frightened his wife and family espe-
15 cially when he, Colonel North, was not there, because as I
16 understood Colonel North was frequently not at home.

17 In addition, they had received phone calls and
18 threatening phone calls, I believe sugar in the gas tank,
19 flattened tires and unknown packages in the mailbox, which is
20 external to the house.

21 Q What do you mean by unknown packages?

22 A Packages not sent by the post office department,
23 but packages that have been--boxes of some type that were put
24 in there by persons unknown, which it was interpreted could
be threatening such as a bomb.

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1 Q He didn't say that Colonel North had received a
2 bomb though, did he?

3 A No, he did not.

4 Q But collectively, the matters that I've just
5 identified resulted in a feeling of severe uncomfortableness
6 by Mrs. North and Colonel North for their family.

7 Q Did General Secord also say something about the
8 fact that Colonel North was frequently away from home?

9 A I don't know if he did at that meeting, but at the
10 next meeting it certainly came up that he was--and certainly
11 Mrs. North told me that subsequent to this meeting.

12 Q Was there any discussion at this April 29 meeting
13 about the concern about terrorists?

14 A The word terrorist might have been used at the
15 April 29 meeting, but subsequent it was used.

16 Q Did General Secord say anything to you at this
17 April 29 meeting about the kind of security system that he
18 wanted you to have installed?

19 A No, he knew that I was familiar with security, all
20 phases of security and he deferred to me to go out and look
21 at the property and make some recommendations.

22 Q Did he say anything at this meeting about who was
23 going to pay for this system?

24 A No, he did not.

Q What else did he say at the meeting about the

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1 security system?

2 A That's about all that I can recall.

3 Q After he told you about the need for a security
4 system, what did he do?

5 A He asked me if I thought I could handle it, and I
6 agreed. And would I agree to handle it; yes, I would. And
7 he then said he would call Mrs. North to make--to identify me
8 and make arrangements for a meeting with Mrs. North.

9 Q And did he call Mrs. North while you were at his
10 office?

11 A Yes.

12 Q What did you do after General Secord called Mrs.
13 North?

14 A I then called Mrs. North, it seems to me within 45
15 minutes later to identify myself and get an agreed time for a
16 meeting with her.

17 Q And what was said in your telephone conversation
18 with Mrs. North?

19 A I identified myself by name telling her that I
20 think she had recently heard from General Secord and that I
21 was coming out there to look at her property, the possibility
22 of implementing some security procedures to protect the
23 family.

24 Q And what was her reaction?

25 A Very brief, but yes, and she would meet me the next

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1 day. And we agreed on a time.

2 MR. BARBADORO: Off the record.

3 [Off the record.]

4 BY MR. BARBADORO:

5 Q Mr. Robinette, when did you go out to the North
6 residence?

7 A I went out the next day, April 30th.

8 Q What did you do when you got out to the residence?

9 A Met with Mrs. North, introduced myself and briefly
10 asked her a few questions about what had happened out there,
11 specifically about the lights that were shining from the
12 house--shining from the road. And asked her permission to
13 walk around the house and the property.

14 Q In general terms can you describe the North
15 residence, the property and the area in which the residence
16 is situated?

17 A It's located in Great Falls, Virginia. It's a two-
18 story house situated in the middle of a plot of ground with
19 houses on each side and a woods to the rear. There's a fence
20 enclosing all the property. Not a secure fence, just simply
21 a fence to keep the animals from getting out. They had two
22 horses at that time.

23 Had a built-in garage. Fairly rural area, wasn't
24 well traveled out there.

25 Q How big is the lot?

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1 A I'm going to say an acre. I'm guessing on that.

2 Q How far back is the house from the street?

3 A The roadway--let's see, the house sits back off the
4 public highway about 250 feet.

5 Q And how far away are the houses on either side of
6 the North house?

7 A Probably an equal distance of 200 to 250 feet.

8 Q Tell me what happened once you got inside the house?

9 A During this visit?

10 Q Yes.

11 A I commented that I spoke to Mrs. North. She

12 described to me that--in response to my questions she

13 described that, yes, she had experienced on several occasions

14 lights--someone stopping on the road outside and flashing

15 lights [REDACTED] house at night. Colonel North was not home

16 and it certainly frightened her.

17 I can't recall at the moment whether it also

18 occurred when Colonel North was home. But she did describe

19 in response to my questions that Colonel North didn't usually

20 arrive until around midnight every night at which time she

21 fixed him dinner. But there had been occasions--in addition,

22 there had been occasions with threatening phone calls. She

23 made no reference to the flattened tires or the sugar in the

24 gas tank.

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Q After speaking with Mrs. North, did you walk around

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1 the house?

2 A Yes, I did.

3 Q And after looking at the house and speaking to Mrs.
4 North did you draw any conclusions about the kind of security
5 system you would need to install at the house?

6 A Yes, I did. It didn't take too long because it's a
7 fairly standard residence, and it became quite obvious that
8 security at the house would be difficult because of the
9 family lifestyle; four children and two horses and dogs and
10 cats.

11 Q What effect did the fact that he had children, dogs
12 and cats have on the kind of security system that you planned
13 to install?

14 A Well, if you were concerned about someone entering
15 into the property within the house at night and you had the
16 security system on, you would normally have some sort of IR
17 beams, intrusion alarms that would go off, would be alerted.
18 But the best you can do under the circumstances with children
19 running around at night and dogs and cats is to simply wire
20 the doors and the windows with the hope that the system would
21 be turned on and that if someone forced their way through the
22 window or the door, at that time an alarm would go off.

23 Q Is it safe to say that because of the animals and
24 the children you felt that a passive system rather than an
25 active system involving motion detectors and infrared beams

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1 would be required for the house?

2 A Yes. I felt also that Mrs. North, who appeared to
3 be extremely concerned about her children, would be able to
4 carry a portable transmitter, something very small that as
5 she walked through the home or out in the back of the
6 property that if she was accosted or alarmed at some point
7 that she could press this wireless transmitter which in turn
8 would automatically set off an alarm.

9 Q Did you describe for Mrs. North the kind of
10 security system you were thinking about?

11 A I probably touched on it, but I perceived that she
12 wasn't personally interested in the details. I think she
13 would be more responsive to simply knowing that a system
14 existed.

15 Q What else happened at your visit to the North
16 residence?

17 A That's about the extent of it. I think I left
18 after about 45 minutes.

19 Q Did you on a later date meet with Colonel North to
20 discuss the security system?

21 A Yes, I did.

22 Q And from your calendars can you determine when that
23 meeting occurred?

24 A Yes, I can.

Q When was that?

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1 A That was on May 5th, 1986.

2 Q How did that meeting come about?

3 A I believe between May 5th and the time that I'd
4 been to General Secord's I reported back to him that I'd made
5 the visit and I had a general idea what I thought would be
6 useful, but it was necessary in my experience, that the user
7 know what was contemplated. And I suggested that General
8 Secord either tell Colonel North that which I would tell him,
9 or General Secord and I meet Colonel North.

10 And on the 5th of May, General Secord and I did go
11 to Colonel North's office at 7:00 or 7:30 that night.

12 Q Was it General Secord who arranged the meeting with
13 Colonel North?

14 A Yes, he did.

15 Q The meeting occurred at 7:30 on May 5th?

16 A Yes, it did.

17 Q And it was at Colonel North's office, correct?

18 A Yes, in the Old Executive Office Building.

19 Q And you went to the meeting with General Secord?

20 A Yes.

21 Q Who else was present in Colonel North's office when
22 you got there?

23 A When we walked in, I believe lawn hall was there in
24 the outer office. And then General Secord and I walked into
25 the inner office, which I recall was to the right of the

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1 outer office. And we sat down, and that's the only person I
2 recall seeing at that time.

3 Q What happened at the meeting?

4 A The meeting was brief. I think it took about 30
5 minutes and told--General Secord introduced me to Colonel
6 North, told him that I was the man that had surveyed the
7 property and--had surveyed Colonel North's property and that
8 I had some proposals for equipment that I wanted to discuss
9 with him, with Colonel North.

10 Q What happened then?

11 A I summarized very quickly what I thought would be
12 useful considering the family lifestyle that they had. And
13 in addition, I suggested that if he concurred that I would
14 also attempt to put in a visual surveillance system of the
15 mailbox in an attempt to--the mailbox and the mailbox area in
16 an attempt to identify who was leaving the packages at night
17 and perhaps who was pausing on the highway to shine lights.

18 Q What kind of visual surveillance system did you
19 have in mind?

20 A At that time it was either going to be a still
21 camera that would be operated electronically each time the
22 mailbox was opened, or it would be a wireless video camera.
23 In either case, both would maintain a record of who stopped
24 or who opened the mailbox door.

I had some tentative plans for maybe having it also

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1 be operated from the house, but that was tentative because I
2 didn't think that either Mrs. North or Colonel North would be
3 able to turn on the camera in times of emergency.

4 Q What happened after you described the kind of
5 system you had in mind to Colonel North?

6 A He said, okay, that sounds good. Let's get
7 together when you have more firm--when you've formulated your
8 plan.

9 Q As of May 5th, had you contacted any contractors
10 about installing this system?

11 A I think I contacted more than one. But there was
12 really one firm here in the Washington area that I had
13 previous experience with and knew the personnel as being
14 extremely reliable. [REDACTED]

15 [REDACTED] And I felt that I wanted to use them
16 because of their ability and reliability.

17 Q What is the name of that company?

18 A The name of the company is VATEC.

19 Q As of May 5, had you obtained an estimate of how
20 much this security system was going to cost?

21 A No, I don't believe so because I hadn't--I don't
22 believe so because I don't think I had firmed up in my mind
23 just what I was going to have. UNCLASSIFIED

24 Q Was there any discussion at this meeting on May 5
25 about who was going to pay for the security system?

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1 A No, there was not.

2 Q Did General Secord say anything else at the meeting
3 other than to introduce you to Colonel North and describe to
4 Colonel North the fact that you were the one who was working
5 on the security system for him?

6 A No, he did not.

7 Q Was anything else said at the meeting other than
8 what you've described?

9 A Nothing that I can recollect.

10 Q When did you meet with Colonel North again?

11 A Let's see, that was on the 5th. I met with Colonel
12 North on the 10th of May at approximately 10:30, Saturday.

13 MR. BARBADORO: Let's go off the record for a
14 second.

15 [Discussion off the record.]

16 BY MR. BARBADORO:

17 Q Where did this meeting take place?

18 A It took place in General Secord's office in
19 Virginia.

20 Q Who arranged this meeting?

21 A General Secord.

22 Q Was General Secord present at the meeting?

23 A Yes.

24 Q Was anyone else present, other than you and Colonel
25 North and General Secord?

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1 A No.

2 Q What happened at this meeting?

3 A This was an opportunity for me to tell Colonel
4 North, in more detail, just what I thought they should have
5 at the house. And I, in turn, related what I thought they
6 should have.

7 Q Could you describe for us, in general terms, what
8 the system was that you had in mind?

9 A Yes, it's pretty much as I mentioned earlier.
10 There would be -- the doors and the windows would be alarmed
11 in case anyone attempted to force their way in there. There
12 would be smoke and heat detectors. There would be the
13 portable transmitter, one or two, which Mrs. North could
14 carry around, and perhaps one of the older children, or even
15 Colonel North.

16 There would be external lights shining on the
17 property that would come on at night in the event of an
18 alarm. I believe there was an audible alarm, I believe. I
19 can't remember whether that was installed or not.

20 In addition, there would be an audible signal
21 installed in one of the vehicles in the event that Mrs. North
22 or one of the children was using the car and there was an
23 attempt to kidnap them or force them off the road, I felt
24 that a loud sounding siren or whistle would scare the people
25 away.

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1 Also, there would be a radio control system at the
2 front gate so that when Mrs. North came in or went out, the
3 gate would always be closed and she or anyone else, with
4 these two transmitters, could open the gate without having to
5 get out of the car. They would always be in the car.

6 And lastly, there was a discussion at that time,
7 that I was still looking into a video type, or pictorial type
8 of coverage of the gate and the mailbox. I hadn't really
9 defined that at that time.

10 I also described, lastly, that this whole system
11 would be connected to a central station alarm company that
12 would receive signals 24 hours a day, every day of the year,
13 and that when an alarm was received they would contact the
14 authorities to send them out.

15 Q So the way the system would work is that if the
16 alarm went off in the house, it would also ring at this
17 company who could notify the police, correct?

18 A Correct.

19 Q At this point, you were planning to have VATEC
20 install the entire system, correct?

21 A Yes, I was.

22 Q Had you obtained an estimate from them as of May
23 10, as to how much this system was going to cost?

24 A I don't believe so. I think it was shortly

thereafter, very shortly thereafter.

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pb26

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1 Q From your own experience, in working in this area,
2 did you have a rough idea as to how much you thought the
3 system would cost?

4 A I thought the system would be about \$10⁰⁰⁰ to \$12,000.

5 Q Let me ask you, was there any discussion of how
6 much the system would cost, at this meeting on May 10?

7 A Yes, there was.

8 Q Could you describe that discussion?

9 A Yes, I don't recall who instigated the question or
10 the subject of the money, whether it was Colonel North or
11 myself, but the result was that Colonel North commented that
12 he'd like to keep the price between \$8,000, \$8,500, that he
13 was a poor colonel and he wanted to try to keep it around
14 that figure.

15 Q Mr. Robinette, was it you who first raised the
16 figure of \$8⁰⁰⁰ to \$10,000, or was it Colonel North?

17 A I think it was Colonel North.

18 MR. BARBADORO: Let's go off the record for a
19 second.

20 [Discussion off the record.]

21 [The reporter read the record as requested.]

22 BY MR. BARBADORO:

23 Q Mr. Robinette, during the break, you've had a
24 chance to speak to your counsel. Do you now wish to correct
25 an answer that you had earlier given?

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1 A Yes, I do.

2 Q Please go ahead.

3 A We were discussing the approximate costs of the
4 system. It's my recollection that I stated the cost would be
5 around \$8,000 to \$8,500 and, in response to that, Colonel
6 North said fine, keep it around there, I'm on a poor colonel's
7 pay.

8 Q Let me just make sure I understand your testimony
9 then. Earlier, I asked you if you had a rough estimate of
10 the cost of this system, and you answered between \$8,⁰⁰⁰ and --
11 between \$10,⁰⁰⁰ and \$12,000, excuse me. Do you want to correct
12 that answer as well, or do you want to stand by that answer?

13 [Counsel and witness conferring.]

14 THE WITNESS: At the time, we're talking now of
15 Saturday the 10th of May, the figure that I quoted was \$8,000
16 to \$8,500.

17 BY MR. BARBADORO:

18 Q The figure that you quoted to Colonel North?

19 A Yes, to Colonel North, yes.

20 Q My question then is if you thought it was going to
21 cost between \$10,⁰⁰⁰ and \$12,⁰⁰⁰ why did you quote to Colonel North a
22 figure between \$8,000 and \$8,500?

23 A There was some debate in my mind about this
24 monitoring system, which may or may not be used at that gate.
25 I didn't think I'd ultimately use it.

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pb28

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1 Q So you decided to give Colonel North an estimate in
2 the low range of what you thought the system would cost?

3 A I felt if we implemented the security system as I
4 had described, I didn't think we'd really need the video
5 system.

6 Q The second point of clarification, at this meeting
7 on May 10, who was it that raised the question of how much
8 the system would cost? Was it you, or did Colonel North ask
9 you about how much it would cost?

10 A I think it was me.

11 Q And when you said that you thought the system would
12 cost between \$8,000 and \$8,500, what was Colonel North's
13 reaction?

14 A He stated, as I had said a few moments ago, okay
15 keep it around that figure, I'm on a poor colonel's pay.

16 Q What else happened at that meeting?

17 A That's about the extent of it. It was a very short
18 meeting. I got the impression that Colonel North and General
19 Secord were meeting for other reasons and my participation
20 was really very small.

21 Q Did there come a time when you made a down payment
22 to VATEC for the security system?

23 A Yes, that's correct.

24 Q Take a look at Exhibit 3, which is a check from you
25 to VATEC in the amount of \$6,000.

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pb29

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1 A Thank you.

2 Q Do you recognize that check?

3 A Yes, I do.

4 Q Is that the down payment that you made to VATEC?

5 A Yes, it is.

6 Q That check is dated May 19, 1986. Is that the date
7 that you made out that check?

8 A Yes, it is.

9 Q What did you do with the check after you made it
10 out?

11 A I believe I personally gave it to a representative
12 of VATEC, who came to my home.

13 Q Had work started on the system as of that date, or
14 was that down payment required before work was to begin?

15 A As I recall, I don't think work had actually
16 started. I had made a trip or two back out to Mrs. North's
17 but no, I don't think work had started.

18 As I recall, they wouldn't start the work until
19 they had -- they couldn't order the equipment until they had
20 money.

21 Q When you made out this check to VATEC, you were
22 using your own funds, correct?

23 A I was using my checking -- yes.

24 Q Did you subsequently look to someone for reimburse-
25 ment for this down payment?

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pb30

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- 1 A Yes, I did.
- 2 Q Who did you look to for reimbursement?
- 3 A General Secord.
- 4 Q When was that?
- 5 A Either on that day, the 19th, or on the 20th.
- 6 Q Did you go to General Secord's office to get the
- 7 reimbursement?
- 8 A Yes, I did.
- 9 Q How much did you ask General Secord for?
- 10 A To my recollection, it was \$7,000.
- 11 Q Why did you ask him for \$7,000, in view of the fact
- 12 that the down payment you made was for \$6,000?
- 13 A The additional \$1,000 was for expenses that I had
- 14 incurred in looking into this system.
- 15 Q Is it fair to characterize that \$1,000 as part of
- 16 your fee for the work you had done in connection with the
- 17 security system?
- 18 A I think so.
- 19 Q When you asked General Secord for the money, did he
- 20 give it to you?
- 21 A Yes.
- 22 Q Did he pay you by check or in cash?
- 23 A He gave me cash.
- 24 Q Where was he when he gave you the cash?
- 25 A I believe he was in his office, in his suite.

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pb31

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31

1 Q Where did he get the cash from?

2 A I don't know where he got the cash from. To my
3 recollection, I was sitting at a desk, sitting at his desk,
4 sitting in front of his desk, and he leaned down and either
5 took it from a drawer or took it from a case.

6 Q Did he count the money before he gave it to you?

7 A I don't recall.

8 Q What was the denominations of the bills that he
9 paid you in?

10 A I can't actually recall today.

11 Q Did General Secord express any surprise when you
12 went to him for reimbursement for this security system?

13 A No, he did not.

14 Q Had ~~you~~ had any previous discussions with General
15 Secord about the fact that General Secord was going to pay
16 for this ^{system?} ~~system?~~

17 A No, I did not.

18 Q Why did you look to General Secord, rather than to
19 Colonel North, for this payment?

20 A I was working for General Secord. He was the one,
21 in my opinion, that had assigned me the task and that was the
22 natural -- in my opinion, that was the natural place to go.

23 Q So even though you installed the system at Colonel
24 North's house, you looked to General Secord for payment
25 because he was the one that had hired you to install the

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pb32

UNCLASSIFIED

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1 system, correct?

2 A I did. I did, yes.

3 Q What did you do with this cash that General Secord
4 gave you on either the 19th or the 20th of May?

5 A I took it home.

6 Q I want to show you Exhibit 4-A and 4-B. Exhibit 4-
7 A is your bank statement for the month of May and Exhibit 4-B
8 is a deposit slip.

9 Exhibit 4-A, the bank statement, reflects that
10 there was a deposit to your account of \$7,000 on May 20. Is
11 that the deposit you made with the cash that General Secord
12 paid you?

13 A Yes, it is.

14 Q Exhibit 4-B is a deposit slip in the amount of
15 \$7,000. Is that also the deposit slip for the \$7,000 deposit
16 that you made with the money General Secord gave you?

17 A I'm sure it is.

18 Q When you went to General Secord, to seek reimburse-
19 ment for this down payment, did General Secord say anything
20 to you, that you should go to Colonel North and ask him for
21 the money?

22 A No, he did not.

23 (Q) And General Secord never said anything to you about
24 him getting the money from Colonel North to pay you, did he?

A No, General Secord had never said anything to me

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pb33

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33

1 about doing that and, in fact, General Secord never told me
2 that he, General Secord, would pay for the system.

3 Q And he never told you where the money was coming
4 from, to pay for this system?

5 A No, he did not.

6 Q Is it fair to say that as of May 19, when you made
7 this down payment to VATEC, that you were expecting that
8 VATEC would be the sole contractor for this system?

9 A Yes, it was, at that date, yes.

10 Q At some point, did you make a decision to use
11 another contractor for a portion of the system?

12 A Yes, I did.

13 Q What part of the system did you decide to give to
14 another contractor?

15 A The remote control, the electronic gate.

16 Q What caused you to decide to give the electric gate
17 contract to someone else?

18 A I thought that VATEC's proposed charges for the
19 electronic gate were high and I also had some impression that
20 maybe it was a type of installation that they weren't able to
21 do easily and cheaply.

22 Q When did you first receive an ^{estimate} ~~instrument~~ from VATEC?

23 A I think I got a verbal estimate from them sometime
24 in June, mid-June, early June.

25 Q Wouldn't you have received an estimate from them

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- 1 prior to making the down payment on May 19?
- 2 A Probably, yes.
- 3 Q Do you recall what that estimate was?
- 4 A I believe it was around 11-something, 12-something.
- 5 Q Did that first estimate you got from them include
- 6 the electric gate?
- 7 A I don't recall right now.
- 8 MR. TUOHEY: Excuse me.
- 9 [Witness and counsel conferring.]
- 10 [Discussion off the record.]
- 11 [The reporter read the record as requested.]
- 12 BY MR. BARBADORO:
- 13 Q Mr. Robinette, I had asked you if that first
- 14 estimate you got included the electric gate. Your answer was
- 15 that you couldn't recall. Have you had a chance to think
- 16 about that answer?
- 17 A Yes, I have. That was a verbal estimate that was
- 18 given to me by a member of VATEC.
- 19 Q Did it include the electric gate?
- 20 A Yes, it did.
- 21 Q It's fair to say that the estimate would have been
- 22 substantially higher than \$11,000 if it included the gate?
- 23 A Yes, it would.
- 24 Q When did the installation of this system begin and
- 25 when was it completed, approximately?

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pb35

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1 A It started sometime in May and ended in early July.

2 Q The dates you gave me, does that include the
3 installation of the electric gate by the other contractor?

4 A Yes, it does.

5 Q What is the name of the contractor that installed
6 the electric gate?

7 A I think it's Automatic Gate.

8 Q Did Automatic Gate require a down payment before
9 they installed the system?

10 A No, I don't believe they did.

11 Q Did there come a time when you made final payment
12 to VATEC and also final payment ^{to} ~~for~~ the automatic door
13 company, for the work that that was done for you?

14 A Yes, there did.

15 Q In looking at your calendars, can you determine
16 when it was that you made that final payment?

17 A Yes, I can.

18 Q When was that?

19 A July 10, 1986.

20 Q Can you describe the circumstances in which you
21 made these payments?

22 A Yes, I spoke to both contractors, who agreed to
23 meet me at noon at a restaurant in Silver Spring and I timed
24 it so that I would meet one contractor at one point and the
25 other contractor at a second point, so that there wouldn't be

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pb36

UNCLASSIFIED

36

1 any meeting of the two contractors.

2 Q How did you plan to pay them, by check or with cash?

3 A No, I was going to pay them with cash.

4 Q Where did you get the cash from, to pay them?

5 A Cash that I had accumulated and kept in my home.

6 Q Please take a look at Exhibit 5-A, which is an
7 invoice from the VATEC Corporation. Have you seen that
8 exhibit before?

9 A I've seen it recently. It was shown to me.

10 Q That is an invoice for the security system that was
11 installed at the North residence, correct?

12 A That's correct.

13 Q In the upper right-hand corner, it bears an address
14 of [REDACTED] property and that's the North residence,
15 correct?

16 A That's correct.

17 Q It also says payment received 7-10-86. Is that the
18 date that you made final payment to VATEC for the work done
19 on the system?

20 A Yes, it is.

21 Q By looking at the invoice, can you tell the amount
22 of the payment that you made on July 10?

23 A Yes, I can.

24 Q What is the amount that you paid VATEC on that day?

A \$5,703.

UNCLASSIFIED

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pb37

37

1 Q You had earlier made a down payment of \$6,000,
2 correct?
3 A Yes.
4 Q So what was the total amount that you paid VATEC
5 for the work that they did at the North property?
6 A \$11,703.
7 Q Please take a look at Exhibit 6-C, which is an
8 invoice from Automatic Door Specialists. Have you seen that
9 before?
10 A Yes.
11 Q That invoice is for work that Automatic Door did
12 for you installing the electric gate at the North property,
13 correct?
14 A That's correct.
15 Q And that invoice reflects that that work was done
16 at the North residence, correct?
17 A That's correct.
18 Q It also states that payment was made on July 10,
19 1986, correct?
20 A That's correct.
21 Q Is that when you paid Automatic Door?
22 A That's correct.
23 Q How much did you pay them for the work they did?
24 A \$2,173.
25 Q You paid them in cash at the restaurant on July 10,

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pb38

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38

1 correct?

2 A Yes, I did.

3 Q So if you paid VATEC \$11,703 and you paid Automatic
4 Door Specialist \$2,154, the total cost of the installation of
5 the system was \$13,857. Does that sound right to you?

6 A I accept your addition.

7 Q In any event, it's approximately \$14,000?

8 A Yes, it is.

9 Q Mr. Robinette, you testified that you used your own
10 funds to make these cash payments on July 10, 1986?

11 A Yes, I did.

12 Q Did you subsequently seek reimbursements from
13 somebody for these funds?

14 A Yes, I did.

15 Q Who did you go to for reimbursement?

16 A General Secord.

17 Q On July 10, you paid approximately \$7,800 to these
18 two contractors. How much money did you seek from General
19 Secord?

20 A Subsequent to this date, I asked him for ap-
21 proximately \$9,000.

22 Q Why did you ask him for \$9,000 when your payments
23 to the contractors were \$7,800?

24 A My expenses, gas, time, telephone.

25 Q Your fee and your expenses?

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pb39

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39

1 A Yes.

2 [Counsel and witness conferring.]

3 BY MR. BARBADORO:

4 Q How long after July 10, 1986 did you go to General
5 Secord and ask him for reimbursement?

6 A I don't recall the exact date.

7 Q Do you remember when it was that you got paid?

8 A I received a check.

9 Q In August, 1986? Does that sound right?

10 A Yes, if I saw the check, I'd probably recognize it.

11 MR. TUOHEY: Off the record.

12 [Discussion off the record.]

13 BY MR. BARBADORO:

14 Q Let me show you Exhibit 7-F, which is a cashier's
15 check in the amount of \$9,000?

16 A Yes.

17 Q Have you seen that before?

18 A Yes.

19 Q That check is made payable to you, correct?

20 A Yes, it is.

21 Q And it bears the notation that it is from CSF
22 Investments, Limited?

23 A Yes, it does.

24 Q And the date of the check is August 20, 1986?

25 A August 20, 1986.

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pb40

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1 Q Is that about the time that you received the check,
2 sometime shortly after August 20, 1986?

3 A Yes, it is.

4 Q Is that the payment you received from General
5 Secord?

6 A Yes, it is.

7 Q What did you do with that check?

8 A I put that in an account at Merrill Lynch.

9 Q Mr. Robinette, is Exhibit 7-F a copy of the check
10 you received?

11 A Yes.

12 Q Does the back of the check bear your endorsement?

13 A Yes, it does.

14 Q And that's the check you received from General
15 Secord for the reimbursement for the payments you made plus
16 your fee for the security system, correct?

17 A Yes, it is.

18 Q Between the beginning of May and the time when the
19 system was paid for, did you ever go to Colonel North and
20 seek reimbursement from him?

21 A No, I did not.

22 Q Did you ever send Colonel North a bill for any of
23 the work you had done on the security system during this time
24 period?

A No, I did not.

UNCLASSIFIED

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pb41

41

1 Q Did General Secord say anything to you, during this
2 time period, that suggested that he was obtaining the money
3 he was paying you from Colonel North?

4 A No, he did not.

5 MR. BARBADORO: Let's go off the record for a
6 second.

7 [Discussion off the record.]

8 BY MR. BARBADORO:

9 Q Mr. Robinette, do you recall making any other
10 payments in connection with the security system?

11 A Yes, I do.

12 Q What payments did you make?

13 A I had to pay the Central Station Alarm Company and
14 I had to pay VATEC for electrical work that was done.

15 Q How much did you pay the alarm company?

16 A I believe it was \$90.

17 Q What was that payment for?

18 A Services for, I believe, a six month period.

19 Q What were the payments and how much did you pay
20 VATEC?

21 A I paid VATEC the \$90.

22 Q And they forwarded it to the security system?

23 A Yes.

24 Q You also mentioned making other payments to VATEC,

UNCLASSIFIED

pb42

UNCLASSIFIED

42

1 A Yes, I paid VATEC \$140 to go fix, repair that
2 electric gate. It was faulty and the company would not
3 acknowledge that it was their problem.

4 Q Did you seek reimbursement from anybody for these
5 payments?

6 A No, I did not.

7 Q Why not?

8 A I don't recall why. It was a small amount and I
9 just felt that I had been paid for it.

10 Q I want to move ahead to November of 1986 and ask
11 you about a date that's now familiar to everybody, November
12 25, 1986. That was the date that Attorney General Meese held
13 his press conference and announced that the funds from the
14 Iran arms sales were diverted to the Contras and also
15 announced that Colonel North had been removed from the
16 National Security Council staff.

17 Let me ask you, where were you on November 25, 1986?

18 A I was in Costa Rica.

19 Q What were you doing there?

20 A Doing some -- continuing with my work with General
21 Secord on research investigation.

22 Q When did you return to the United States?

23 A November 29, 1986.

24 Q At some point in December, after you returned from
Costa Rica, did you receive a telephone call from Colonel

UNCLASSIFIED

pb43

43

UNCLASSIFIED

1 North?

2 A Yes, I did.

3 Q When did you receive that phone call?

4 A My recollection is not -- it seems to me it was
5 shortly thereafter.

6 Q Are you reasonably certain that it was sometime in
7 December, before Christmas?

8 A Yes, very much so.

9 Q What did Colonel North say to you, in this phone
10 call?

11 A We passed the time of day for a moment or two and
12 said that -- he mentioned to me that I had not sent him a
13 bill for the --

14 Q Give me his exact words, if you can?

15 MR. TUOHEY: On that particular issue?

16 BY MR. BARBADORO:

17 Q On that issue.

18 A To my recollection, it was something along the
19 lines of a very friendly comment, like hey, you know you
20 haven't sent me a bill for that work, security work that you
21 did at my house. How about sending me the bill?

22 Q What was your response?

23 A I said yes, I would.

24 Q What was the tone of his voice?

25 A He was very friendly, I thought in a good frame of

UNCLASSIFIED

pb44

UNCLASSIFIED

44

1 mind, considering that at that period of time he was having
2 what I considered major personal difficulties.

3 Q At the time you received this call, you knew that
4 Colonel North had been removed from the National Security
5 Council staff, correct?

6 A Yes, I did.

7 Q And you knew that he had hired a lawyer?

8 A Yes, I did.

9 Q You also knew that he was being investigated by the
10 FBI, correct?

11 A I assumed he was being investigated by not only the
12 FBI but a number of federal agencies.

13 Q When he called you in December and asked you to
14 send him a bill for the work you had done, did you expect him
15 to pay you for the work?

16 A I didn't really know, but I doubt it.

17 Q You knew that you had already been paid for the
18 work by General Secord, correct?

19 A Yes.

20 Q Were you surprised that he called you in December,
21 several months after the work had been completed, and for the
22 first time asked you for a bill?

23 A Yes, I think I was surprised.

24 Q It's fair to say, Mr. Robinette, that you knew why
25 he was asking you for this bill, correct?

UNCLASSIFIED

pb45

UNCLASSIFIED

45

1 A I think so.

2 Q And he was asking for this bill to cover himself
3 because he was under investigation by the FBI and other
4 federal agencies, wasn't he?

5 A Yes, he was.

6 MR. BARBADORO: Let me just go off the record.

7 [Discussion off the record.]

8 [The reporter read the record as requested.]

9 BY MR. BARBADORO:

10 Q Mr. Robinette, did you think that Colonel North was
11 asking you for a bill because he wanted to pay you the money
12 that he owed you for the security system?

13 A No, I didn't.

14 Q Isn't it true that you thought, at the time, that
15 Mr. North was asking for a bill because he wanted to cover
16 himself because of the federal investigation that was then
17 ongoing, correct?

18 A I can't respond exactly to Colonel North's thinking,
19 but I think he felt that possession of a bill would be
20 helpful to him.

21 Q I'm really interested here, not in Colonel North's
22 state of mind, but in your state of mind. Your state of mind
23 was you assumed that you were being asked to provide a bill
24 that could be used to cover the installation of the security
25 system, correct?

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1 A Yes.

2 MR. BALLEEN: Why did you assume that?

3 THE WITNESS: Because he had not been billed.

4 BY MR. BARBADORO:

5 Q Isn't it true there are several reasons why you
6 assumed it? You assumed it because the system had been
7 installed months ago and Colonel North hadn't come to you at
8 the time and requested a bill, correct?

9 A Correct.

10 Q You also assumed it because you had sought and
11 obtained payment from General Secord for the system, correct?

12 A Correct.

13 Q And you also thought it was true because of the
14 circumstances at the time, where Colonel North was under
15 investigation when he asked you for the bill, correct?

16 A Correct.

17 MR. TUOHEY: Off the record.

18 [Discussion off the record.]

19 BY MR. BARBADORO:

20 Q After you received this phone call from Colonel
21 North, what did you do?

22 A I typed up an invoice, probably within several
23 days, within one to two days of his phone call and mailed it.

24 Q Mr. Robinette, let me show you Exhibits 9-A and 9-B.

25 A Yes, I have them.

UNCLASSIFIED

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pb47

47

1 Q Are those invoices that you prepared after this
2 December phone call with Colonel North and then sent to
3 Colonel North?

4 A Yes, they are.

5 MR. TUOHEY: Paul, I'm not nit-picking, but he
6 prepared an invoice, xeroxed it, and then typed a note.

7 BY MR. BARBADORO:

8 Q Exhibit 9-A is an invoice dated July 2, 1986,
9 addressed to Colonel North for the security system in the
10 amount of \$8,000, correct?

11 A That's correct.

12 Q And Exhibit 9-B is a copy of that invoice with an
13 additional note written on the bottom, dated September 22,
14 1986, correct?

15 A That's correct.

16 Q Is it fair to characterize Exhibit 9-A as a first
17 notice and Exhibit 9-B as what is intended to be as a second
18 notice?

19 A That's correct.

20 Q Mr. Robinette, did Colonel North ask you to send
21 him a bill or did he ask you to send him copies of bill?

22 A In my recollection, he said send me a bill.

23 Q What you sent to Colonel North, however, was a bill
24 dated July 2, 1986 and a second notice which was the original
25 bill with an additional note dated September 22 typed on it,

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pb48

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48

1 correct?

2 A That's correct.

3 Q Why did you send him a first and second notice,
4 instead of just sending him a bill?

5 A I selected the dates because the first date of 2
6 July was approximately when the equipment was -- the install-
7 ation was completely finished. And the second date of 22
8 September was when the installation was working satisfactori-
9 ly.

10 Q Mr. Robinette, my question is what was your purpose
11 in sending him these two pieces of paper?

12 A To help him, to assist him.

13 Q In what way?

14 A Because he hadn't been billed.

15 Q Again, you weren't expecting Mr. North to pay you
16 for this system, correct?

17 A No, I was not.

18 Q And there was a reason why you sent him a first
19 notice dated July 2 and a second notice dated September 22,
20 wasn't there?

21 A Yes.

22 Q Tell me what that reason was?

23 A I responded in response to his request and those
24 were the dates that I felt represented the true status of the
25 equipment for the installation.

UNCLASSIFIED

pb49

UNCLASSIFIED

49

1 Q Wasn't it your purpose to provide him with a
2 plausible explanation as to why he hadn't paid you as of
3 December, 1986?

4 A I don't think so, but it was to provide him with
5 documentation.

6 Q Exhibit 9-B, the note that you wrote and dated
7 September 22, 1986, says "Ollie, due to my schedule, I have
8 not found time to follow up on my paperwork. As you can see
9 from the dates, I'm sure that you have had the same problem.
10 Please remit when you have time."

11 When you said I have not found time to follow up on
12 my paperwork, that wasn't correct, was it?

13 A No.

14 Q That was a deliberate misstatement?

15 A Yes.

16 Q What was the purpose in making that deliberate
17 misstatement?

18 MR. TUOHEY: Do you understand the question?

19 THE WITNESS: I think so.

20 MR. TUOHEY: Excuse me.

21 [Witness and counsel conferring.]

22 MR. TUOHEY: Can we take a break?

23 [Recess.]

24 BY MR. BARBADORO:

25 Q Mr. Robinette, I'm going to ask you some questions

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1 about these two exhibits, some of which I've asked you
2 before, but I'm going to try to put it all together here.

3 Let's start with Exhibit 9-A. Exhibit 9-A is an
4 invoice dated July 2, 1986, correct?

5 A That's correct.

6 Q Mr. Robinette, you did not prepare this invoice on
7 July 2, 1986, did you?

8 A No, I didn't.

9 Q You prepared it in December of 1986, correct?

10 A That's correct.

11 Q The invoice states that it is for the installation
12 of the security system that you installed at Colonel North's
13 house, correct?

14 A That's correct.

15 Q The amount that you are billing Colonel North is
16 \$8,000. That amount is not what the system cost, correct?

17 A That's correct.

18 Q That amount is an incorrect statement of what the
19 system costs, right?

20 A That's correct.

21 Q I want to turn to Exhibit 9-B, which is a copy of
22 9-A except for a note on the bottom, dated September 22.
23 That date is incorrect, isn't it? You didn't prepare that
24 note on September 22, did you?

25 A That's correct.

UNCLASSIFIED

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pb51

51

- 1 Q You prepared that note in December, didn't you?
- 2 A That's correct.
- 3 Q Indeed, you prepared the note at the same time you
- 4 prepared the first exhibit, dated July 2, 1986, didn't you?
- 5 A That's correct.
- 6 Q So that date is false, right?
- 7 A That's correct.
- 8 Q In the note, you say "due to my schedule, I have
- 9 not found time to follow up on my paperwork." When you said
- 10 that, that was not true, was it?
- 11 A That's correct.
- 12 Q When you mailed these bills to Colonel North, you
- 13 mailed them at the same time, didn't you?
- 14 A That's correct.
- 15 Q When you mailed them to him, did you mail originals
- 16 or copies? You mailed copies, didn't you?
- 17 A Yes, I believe so.
- 18 Q Can you explain why you made all these misstatements
- 19 in these two exhibits and why you mailed copies to Colonel
- 20 North, rather than original bills?
- 21 A At that period of time, Colonel North was in what I
- 22 considered a great deal of -- having experienced a great deal
- 23 of problems and troubles and I thought that documents --
- 24 [Telephone ringing.]
- 25 [The reporter read the record as requested.]

UNCLASSIFIED

pb52

UNCLASSIFIED

52

1 THE WITNESS: And I thought that possession of
2 these documents would be helpful to him.

3 BY MR. BARBADORO:

4 Q How did you think the possession of these documents
5 would be helpful to him?

6 A Colonel North had not been billed for the system
7 and had not paid for the system. Possession of these
8 documents would indicate that payments were expected.

9 Q It would give Colonel North a plausible explanation
10 to anybody who might ask as to why he hadn't paid for that
11 system himself?

12 A That's correct.

13 Q Did you hear from Colonel North after sending him
14 these bills?

15 A I didn't hear from him by telephone but shortly
16 thereafter I was surprised to receive two documents from
17 Colonel North, in response to these bills.

18 Q Take a look at Exhibit 10-A and 10-B.

19 A Yes, I have them.

20 Q Are those the letters you received from Colonel
21 North in response to the bills you sent him?

22 A Yes, they are.

23 Q How long after you sent him the bills did you get
24 these responses?

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A I'm only able to guess, but I'd say within a week.

pb53

UNCLASSIFIED

53

1 Q Did they come together or did they come separately?

2 A They came together.

3 Q Do you recall whether you received originals or
4 copies?

5 A I think I got copies.

6 Q Before I get into these, I want to just go back to
7 the two bills you sent. Can you describe how you sent these
8 to Colonel North, the two bills, Exhibits 9-A and 9-B?

9 A How I mailed them?

10 Q Yes.

11 A Yes.

12 Q Please do that.

13 A I mailed them to Colonel North's attorney. I
14 selected the attorney's address rather than his home address
15 because I didn't think he's get them. I knew his attorney,
16 knew of his attorney, his name had been in the paper and I
17 knew the office and the location.

18 Q Did you double seal the bills?

19 A Yes, I did.

20 Q So that the outside envelope was addressed to the
21 attorney and the inside envelope was addressed to Colonel
22 North, correct?

23 A That's correct.

24 Q Back to the responses that you got from Colonel
25 North, the first one, Exhibit 10-A is a letter to you from

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1 Colonel North dated May 18, 1986. Did you ever receive this
2 letter from Colonel North on or about May 18, 1986?

3 A No, I did not.

4 Q So the first time you ever saw this letter was in
5 December, 1986, correct?

6 A That's correct.

7 Q The second letter is again from Colonel North to
8 you and is dated October 1, 1986. Did you ever receive this
9 letter on or about October 1, 1986?

10 A No, I did not.

11 Q The first time you saw this letter was in December,
12 when Colonel North sent it to you?

13 A That's correct.

14 Q I want to read from the second paragraph of Exhibit
15 10-A and that paragraph begins "It is my understanding that
16 the full system will cost approximately \$8,000 to \$8,500."
17 Mr. Robinette, did you give Mr. North that understanding in
18 May of 1986, that the security system would cost between
19 \$8,000 and \$8,500?

20 A Yes, I did.

21 Q I will continue, "That it can be installed quickly"
22 did you give Mr. North, and I'm asking you did you give Mr.
23 North the impression that the system could be installed
24 quickly in May of 1986?

25 A I believe so.

UNCLASSIFIED

pb55

UNCLASSIFIED

55

1 Q I will continue reading, "And that we have two
2 options for reimbursing you for the expenses: one, loan of
3 the equipment for a period not to exceed the expiration of my
4 active service in the United States Marine Corps (June 1988).
5 At that time, we will make our home available for commercial
6 endorsement of your firm and the equipment, without fee."

7 Did you ever present Colonel North with this option?

8 A No.

9 Q You never offered to loan him the security equipment
10 until he ended his active service with the Marine Corps, did
11 you?

12 A No, sir, I did not.

13 Q And he, in turn, never offered to make his home
14 available for commercial endorsement of your firm and the
15 equipment without a fee?

16 A No.

17 Q The second option he describes in the letter states
18 that he will "make payment in full for the equipment and the
19 cost of installation in 24 equal monthly increments, commenc-
20 ing on the date that the installation is completed and fully
21 operational."

22 Did Colonel North ever offer to make payment for
23 the system in 24 monthly payments?

24 A No, he did not.

25 Q In fact, he never offered to pay you for the

UNCLASSIFIED

UNCLASSIFIED

pb56

56

1 installation of the system, isn't that right?

2 A That's correct.

3 Q I will turn to the second letter, GR-10-B and read
4 from the third paragraph of that letter. Colonel North says
5 to you, "Back to the point, your note of September 22, it was
6 our understanding that we were going to go ahead with the
7 first option for first reimbursement, that is commercial
8 endorsement of your company and the equipment when I retire
9 from the Marine Corps in 1988."

10 You've already testified that you never offered
11 Colonel North that option. Is that right?

12 A That's correct.

13 Q So you never had agreed with Colonel North that he
14 could have the system in exchange for him making some kind of
15 commercial endorsement of the company and the equipment when
16 he retired from the Marine Corps?

17 A That's correct.

18 Q At the bottom of the note, what is apparently in
19 Colonel North's handwriting is the P.S. "Please forgive the
20 type, I literally dropped the ball." Do you know why he
21 added that note to the letter?

22 A I have no idea.

23 Q The typeface is a little bit different on this
24 letter than it is on the letter dated May 18, 1986. Do you
25 know why the typeface appears to be different?

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pb57

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57

1 A No, I do not.

2 MR. TUOHEY: Off the record.

3 [Discussion off the record.]

4 BY MR. BARBADORO:

5 Q What did you do with these letters after you

6 received, Mr. Robinette?

7 A I just--these two letters from Colonel North?

8 Q Yes.

9 A Came as quite a surprise and I just threw them in

10 my drawer, file drawer.

11 Q Did you ever tell General Secord that you had sent

12 bills to Colonel North and that you had received some letters

13 back from Colonel North?

14 A Yes, I did.

15 Q When was that?

16 A Sometime in this same time period of December.

17 Q What was General Secord's reaction?

18 A Very noncommittal. Just simply yes, okay.

19 Q Did General Secord express any surprise that you

20 were sending Colonel North a bill in view of the fact that

21 General Secord had already paid for the security system?

22 A No.

23 Q Did he tell you it was wrong to send Colonel North

24 a bill?

25 A No, he did not.

UNCLASSIFIED

UNCLASSIFIED

pb58

58

1 Q When was the next time you spoke with Colonel North?

2 A I believe March 16th, 1987.

3 Q And that's when he telephoned you, correct?

4 A That's correct.

5 Q And what did he say in that phone conversation?

6 A Said he hadn't seen me in some time and let's get
7 together for lunch. I had suggested a commercial restaurant
8 downtown and he said, no, that wasn't a good idea because of
9 the publicity about him, and he suggested his attorney's
10 office the next day.

11 Q And did you agree to meet him?

12 A Yes, I did.

13 Q Did you also hear from--strike that.

14 Before going to lunch on the 17th of March with
15 Colonel North, did you hear from General Secord?

16 A Yes, I did.

17 Q And he called you as well, correct?

18 A Yes, he did.

19 Q What did General Secord say to you?

20 A He called in regard to a newspaper article that had
21 been published that day.

22 Q Tell us what the newspaper article was about.

23 A It was in regard to the security installation at

24 Colonel North's residence that I had participated in and made

25 reference to an interview, television interview that I had

UNCLASSIFIED

pb59

UNCLASSIFIED

59

1 had. General Secord commiserated with me. He said sorry
 2 that I was involved and getting notoriety, and wanted to get
 3 together to talk. I told him that I was coming downtown that
 4 day the 17th, March 17th to meet Colonel North and he
 5 suggested meeting a time right after that.

6 Q What happened when you got to Colonel North's
 7 lawyer's office that afternoon?

8 A The day before Colonel North had asked me to lunch
 9 and also to bring the documents which I then had in my
 10 possession.

11 Q So in his telephone conversation with you on the
 12 16th, Colonel North asked you to come to lunch at his
 13 attorney's office and he asked you to bring with you the
 14 bills and the letters concerning the security system, correct?

15 A That's correct.

16 Q Now please continue and describe what happened when
 17 you got to lunch.

18 A I met in a conference of--his lawyer's conference
 19 room. It was a very brief luncheon, very brief meeting of
 20 about 40 minutes. We discussed the family, his children. He
 21 made two telephone calls. And then asked if I had the--if I
 22 had brought the documents with me. I said, yes. He said,
 23 let's go upstairs to see my attorney.

24 Q And which attorney did you go up to see?

A A gentleman named Barry Simon.

UNCLASSIFIED

pb60

UNCLASSIFIED

60

1 Q And what happened when you got to Mr. Simon's
2 office?

3 A He introduced me to Mr. Simon and left; Colonel
4 North left.

5 Q And tell us what happened when you met with Mr.
6 Simon.

7 A Mr. Simon and I had a brief informal discussion
8 about the building and security. And then Mr. Simon raised
9 the question, did you bring some documents down. I said,
10 yes. Can I see them? Yes, I showed them to him. He asked
11 if he could make copies, and I said, certainly. He attempted
12 to give them to his secretary who was not at the desk, and he
13 went and made copies.

14 He returned shortly thereafter--I'd say within
15 three to four minutes--returned my copies to me and had his
16 copies in hand. He sat down and glanced at them and said
17 something along the lines, you did prepare these, or you
18 prepared these, correct? And I said, that's right.

19 And that was about--and just about at that time
20 Colonel North came back into the office. I perceived the
21 meeting was over and Colonel North took me back out of the
22 office to leave.

23 Q Where did you go after leaving the attorney's
24 office?

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A I then went over to meet General Secord at the

UNCLASSIFIED

pb61

61

1 Capitol Hilton Hotel at 16th and K.

2 Q Did Colonel North come with you?

3 A No, he did not.

4 Q What happened when you got to the Capitol Hilton?

5 A I went in the bar. General Secord was not there.

6 He did arrive within 10 minutes. We both had ordered drinks,

7 or I had ordered a drink earlier. He ordered a drink. He

8 commiserated again with me about the newspaper article

9 expressing some sympathy that now my name was in the newspa-

10 per.

11 Q Did he say anything to you about the bills?

12 A Yes, he did.

13 Q What did he say?

14 A The subject of the bills came up and he said, well,

15 you sent him bills, didn't you? And I said, yes. He said,

16 well, fine, you don't have anything to worry about. You did

17 right--you did the right thing.

18 Q What else was said at that meeting?

19 A That was about it. He appeared to be in a hurry

20 and he left shortly thereafter.

21 Q Have you spoken to Colonel North since this meeting

22 on the 17th?

23 A No.

24 Q Did you later get a call from his attorney Brendan

25 Sullivan?

UNCLASSIFIED

UNCLASSIFIED

62

pb62

1 A Yes.

2 Q When was that?

3 A That was on that same day. Later, almost within 15

4 minutes of Secord's leaving.

5 Q And what did Mr. Sullivan say to you?

6 MR. TUOHEY: Let me just interrupt, if I may, Paul.

7 Just one thing. Just so it's clear, I think Glenn ought to

8 describe the circumstances. My understanding is Sullivan

9 didn't know where he was, and I don't want to be unfair to

10 somebody.

11 MR. BARBADORO: Let's go through that.

12 THE WITNESS: But I do like the idea, did you get a

13 call or I would have forgot.

14 BY MR. BARBADORO:

15 Q What were the circumstances under which you

16 received this call from Mr. Sullivan?

17 A Shortly after General Secord left I received a call

18 on my beeper. And my beeper is a display type which shows

19 the number. And I called it and it was Brendan Sullivan's

20 number who is Colonel North's attorney.

21 Q And what did Mr. Sullivan say to you?

22 A He might have commented about the newspaper

23 article, just commiserating. But he said that he wanted me

24 to--he wanted to tell me a couple of things, which he did.

25 He said, don't cover for Colonel North, he's a big boy, or

UNCLASSIFIED

pb63

63

1 something to that effect, or he's a big man. And tell the
2 truth. And the third was, he suggested I get an attorney.

3 MR. BARBADORO: Let's go off the record.

4 [Discussion off the record.]

5 MR. VAN CLEVE: Let the record reflect that we've
6 reconvened and Mr. Ballen has stated that he does not have
7 any questions for the witness at this time.

8 Mr. Robinette, I do have some questions.

9 EXAMINATION

10 BY MR. VAN CLEVE:

11 Q Let me start out by asking you, sir, today we did
12 not go through the normal biographic details, but I want to
13 have this fixed in my mind for other purposes.

14 How old are you?

15 A Sixty-five.

16 Q Okay. And you have been employed--you left the
17 Central Intelligence Agency about how long ago?

18 A I left in 1971.

19 Q And have you had regular employment since then?

20 A No, I've worked part-time or self-employed.

21 Q And I believe you testified earlier today that you
22 went to work for Richard Secord sometime in March of 1986?

23 A That's right.

24 Q Had you ever previously worked for Richard Secord?

A No.

UNCLASSIFIED

UNCLASSIFIED

pb64

64

1 Q Or for Thomas Clines?

2 A No.

3 Q Or for Edwin Wilson?

4 A No.

5 Q Now I believe you also testified that you were paid
6 a substantial part of your total compensation from Mr. Secord
7 during 1986 was money you received in cash; is that correct?

8 A That's correct.

9 Q Would it be fair--this is just an estimate and I
10 don't want to hold you to this--but to say that it might have
11 been as much as \$25,000 in cash?

12 A Yes.

13 Q Possibly \$35,000?

14 A Yes.

15 Q Had you, during your prior self-employment from
16 1971 through 1986, had you ever before been paid by a client
17 in cash?

18 A No.

19 Q Whose idea was it that Mr. Secord would pay you a
20 substantial part of your total compensation in cash?

21 A The subject was never discussed. I don't know. It
22 must have been his idea, I guess.

23 Q Is it your testimony that it seemed natural to you
24 to receive \$35,000 in cash after having never been paid that
25 way before?

UNCLASSIFIED

UNCLASSIFIED

pb65

65

1 A No, but I didn't question it.

2 Q You didn't ever ask to be paid in check?

3 A No, I didn't.

4 Q And you were never asked for a receipt of any kind

5 by Mr. Secord?

6 A No, I was not.

7 Q And you have no written records of the amounts that

8 you were paid; is that correct?

9 A No, I do not.

10 Q Now I believe you did testify that you received

11 \$16,000, a total of \$16,000 in the form of checks during

12 1986; is that correct?

13 A Yes.

14 Q And was the sole purpose of those payments compen-

15 sation for your fees and expenses in connection with your

16 work for Mr. Secord?

17 MR. TUOHNEY: Let me just correct something, George.

18 There are two checks for five and one for six, which is 16.

19 But there's also the check for nine. Did you clarify that

20 they were ~~work~~ ^{for work} for Secord?

21 MR. VAN CLEVE: I'm sorry, perhaps I misspoke.

22 THE WITNESS: It's apples and oranges.

23 BY MR. VAN CLEVE:

24 Q Let me back up here. Exhibit 2 for the deposition

25 contains three checks; one in the amount of \$6,000 and two in

UNCLASSIFIED

pb66

UNCLASSIFIED

66

1 the amount of \$5,000 each. And my question was, is it your
2 testimony that the sole purpose of those checks was to pay
3 you for your fees and expenses on behalf of work you did for
4 Mr. Secord?

5 A That's correct.

6 Q And that work was totally unrelated to the instal-
7 lation of a security system; is that correct?

8 A That's correct.

9 Q And I believe you testified previously that at some
10 point in late April 1986 you were approached by Mr. Secord
11 and asked whether or not you could help to provide a security
12 system for Oliver North's home?

13 A That's correct.

14 Q And that you're not sure, if I understood your
15 testimony correctly, whether or not the subject of terrorist
16 threats against Colonel North came up at that time or later;
17 is that correct?

18 A That's correct.

19 Q But it did come up at some point?

20 A Yes, it did.

21 Q Can you tell us what was said to you on the subject
22 of terrorist threats against Colonel North?

23 A Yes. It was described to me--

24 Q Or his family.

25 Q It was described to me that Colonel North had

UNCLASSIFIED

pb67

UNCLASSIFIED

67

1 experienced a number of unusual circumstances at his house
2 and that he was concerned for himself and his family.
3 Specifically the name of Abu Nidal was mentioned as a
4 principal terrorist ^{who} represented a threat to Colonel North.
5 And that since the North residence was frequently--since
6 Colonel North was not at the North residence frequently, he
7 wanted some kind of protection for his family.

8 Q Were you ever given any specific information about
9 the nature of these threats or the reasons why--you're a
10 former Central Intelligence Agency officer. Were you ever
11 told what type of information might have supported the idea
12 that there were threats being made?

13 A No.

14 Q Were you ever told anything else about that subject?

15 A No.

16 Q Were you told that at one point there had been
17 guards posted at the North home?

18 A Yes, I was.

19 Q And will you tell us what you were told on that
20 subject, please?

21 A Yes, I believe Colonel North told me at one of
22 those meetings; early meetings that there had been two guards
23 stationed or assigned to his residence and that they stayed
24 in the built-in garage area. And that his experience with
25 them was not satisfactory.

UNCLASSIFIED

pb68

UNCLASSIFIED

68

1 Q From what you were told, were you able to determine
2 whether these guards were private guards hired by the Norths
3 or guards provided by the federal government?

4 A No, I was never told that.

5 Q And were you told about what time the guards had
6 been stationed there? Would it have been about this same
7 period of time?

8 A I'm gathering it was prior to my entrance on the
9 scene.

10 Q But in the recent past previous to that?

11 A In the recent prior time.

12 Q You were told that the experience that they'd had
13 with the guards had been unsatisfactory?

14 A Yes.

15 Q Was that suggested to you as a reason why they
16 needed a security system?

17 A No.

18 Q To replace the guards?

19 A No, I don't think so. No, it was not suggested to
20 me.

21 Q Were you told at that time--this would be in the
22 spring of 1986--that at one point Colonel North's family had
23 actually physically been removed from their home in response
24 to earlier threats that had been made?

25 A Not that I recollect.

UNCLASSIFIED

pb69

UNCLASSIFIED

69

1 Q Now when you set out to design the security system
2 for the North home, this would have been probably in the
3 beginning of May 1986?

4 A Correct.

5 Q Was the design a design that was left pretty much
6 up to your expert judgment?

7 A Yes, it was.

8 Q And if I understood correctly, the basis of the
9 design was an inspection of the North's home, together with
10 your conversations with Mrs. North, together with conversa-
11 tions you had with Colonel North about what kind of security
12 they were looking for; is that correct?

13 A That's correct.

14 Q And I believe you told us earlier today that when
15 you met with Mrs. North she described a variety of problems
16 the family had had at home, that they had gotten packages of
17 unknown origin, that there had been sugar put in gas tanks of
18 cars that were 200 feet off the road and so on. Does any of
19 this sort of thing, based on your professional experience,
20 sound the like the kinds of things that terrorists do?

21 A No.

22 Q Does it sound like vandalism?

23 A Yes.

24 Q Now the security system that you designed, was it
25 designed to protect against vandals or was it designed to

UNCLASSIFIED

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1 protect against terrorists?

2 A It's primary value would be against vandalism, but
3 I would hope it would be a deterrent in some way to terrorists
4 who might attempt to force their way into the house, at least
5 she would get an alarm.

6 Q But would a--

7 A And she could, of course, then easily alert help
8 with the built-in system.

9 Q I know this is a difficult question, but in terms
10 of a private home, protecting a private home against a
11 potential terrorist attack with limited resources available,
12 would the kind of system that you put in have provided
13 reasonable protection?

14 A Against terrorists?

15 Q Against that kind of an attack?

16 A It would give them some prior notice, prior alert
17 that someone was forcing their way into the house, whether it
18 was a terrorist or a good guy or a bad guy. It's just simply
19 a--perhaps it was something to help Mrs. North's peace of
20 mind. But as you know, protecting against terrorists is a
21 very difficult job. Certainly the U.S. government has a
22 number of sad experiences.

UNCLASSIFIED

23 Q Sure. Let me sharpen this question a little bit.

24 Obviously, the Norths did not have unlimited resources. They
25 couldn't spend the kind of money that you would spend to

UNCLASSIFIED

pb71

71

1 protect the United States Capitol.

2 A Yes.

3 Q But taking that into account, were they receiving
4 protection really against neighborhood vandals? Or weren't
5 they receiving something considerably more sophisticated that
6 would, in fact, allow some warning against a potential attack?

7 A The latter, yes, what you had described. Protect-
8 -some early warning against a potential attack. Ideally, if
9 the home style had permitted it, there should have been
10 something put in the grounds so that as people, as individuals
11 came through the open fence and they walked through this
12 several hundred feet, the house would be alerted that someone
13 was walking there.

14 But when you have children, dogs, cats and horses--
15 you have to try to marry a reasonable protection system into
16 a lifestyle. And their lifestyle was typically family. You
17 couldn't restrict them in any way and have the system operate
18 reasonably well.

19 Q Okay. I believe you told us the other day--and I
20 don't mean to hold you to this, but my notes reflect that
21 when you described the situation the other day you told us
22 about your meeting with General Secord in late April in which
23 he described to you the possibility that you would undertake
24 this job. And you told us, if my notes are accurate, that
25 initially at least you thought that the work would be paid

pb72

UNCLASSIFIED

72

1 for by Colonel North; is that correct? That you had an
2 impression that that would be the case?

3 A It was a completely--it was an assignment completely
4 detached from what I was doing for Colonel North--I'm sorry,
5 for General Secord, pardon me. And I would assume that this
6 was Colonel North's need for some professional assistance and
7 I didn't know who was going to pay for it at that time.

8 Q You did know that Colonel North was a government
9 official?

10 A Yes.

11 Q And you're a former federal government official
12 yourself, right?

13 A Yes.

14 Q Turning to the meeting of May 5th, which I believe
15 was the sort of first meeting you had with Colonel North
16 himself about this. You gave him a general set of recommen-
17 dations. He indicates, as I understand your testimony, that
18 he wants to meet again.

19 I believe you testified that at that meeting there
20 was no discussion of price; is that correct?

21 A At that meeting, yes.

22 Q He didn't say, for example, that he couldn't afford
23 to spend more than a certain amount or anything like that?

24 A Not to my recollection at that meeting.

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25

Q I believe you also told us, and I want to confirm

UNCLASSIFIED

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73

pb73

1 this for the record, that in your view North clearly was the
2 one who was making the installation decisions; what would go
3 into the system, what would not go into the system?

4 A I felt it was his--well, it didn't seem unusual to
5 me. Yes; yes, in response.

6 Q He was the client, in effect, for this job, wasn't
7 he?

8 A Yes, it was his house.

9 Q Right, I understand. Secord had come to you, but
10 he appeared to be the client for the job; is that right?

11 A [Nodding affirmatively.]

12 Q Now at the May 10th meeting--and we've gone over
13 this a little bit earlier this morning, but I want the record
14 to be as clear as it can be on this subject. This is the
15 meeting where there is discussion of the price for the system
16 and you give him sort of a final configuration.

17 A Yes.

18 Q And my question to you is, who brought up the
19 question of the cost of the system? What is your recollection
20 on that point?

21 A I think I brought that up.

22 Q Now within about 10 days or so between May 10th and
23 May 19th you got at least some estimates for a significant
24 part of the total job from VATEC; is that correct?

A Yes.

UNCLASSIFIED

pb74

UNCLASSIFIED

74

1 Q And these estimates came in a lot higher than the
2 \$8,000, \$8,500 that had been discussed at that May 10th
3 meeting. Is it a fact that you never consulted with Colonel
4 North after the May 10th meeting about how much the system
5 was going to cost?

6 A Yes, that's correct.

7 Q Instead, you did check back with General Secord to
8 see if the higher estimate was acceptable to him; is that
9 correct?

10 A Yes, I believe I mentioned it to him, yes.

11 Q And I believe you told us that at all times you
12 looked to Mr. Secord for the payment?

13 A That's correct.

14 Q So both in terms of approving the estimates and in
15 terms of payment, you looked to Secord for the payment?

16 A Yes.

17 Q And you don't know whether or not there might have
18 been some arrangement between Secord and North; is that
19 correct?

20 A No, I do not know. General Secord never mentioned
21 anything like that to me.

22 Q Now as a former federal employee, did it occur to
23 you that there might be a problem if General Secord was
24 paying for the installation of this system in North's home?

25 A No, it did not occur to me.

UNCLASSIFIED

pb75

UNCLASSIFIED

75

1 Q So you thought it was okay for federal officials to
2 accept large gifts from other people for this sort of thing?

3 MR. TUOHEY: If we were in a deposition I would
4 object to that question as argumentative.

5 MR. VAN CLEVE: I can rephrase it, but I'm asking
6 based on his prior experience as a federal employee.

7 THE WITNESS: I have to say, yes, I don't think
8 federal employees should get, whatever your word, large gifts
9 or whatever it was.

10 BY MR. VAN CLEVE:

11 Q I mean, based on your current understanding, that
12 is what happened here, isn't it? You've told us that Colonel
13 North has never paid a penny for this system. That it cost
14 \$14,000.

15 A I thought you were talking of at that time in March
16 or April or whatever.

17 Q I can say it as of the middle of May, if you like.
18 I can say it as of the present, if you like.

19 Q Whichever way you prefer.

20 Q I was initially interested in your state of mind at
21 the time because clearly you were dealing with Mr. Secord in
22 getting his approval, looking to him for payment, and yet you
23 now whether there was any arrangement.

24 So I was asking, at the time, what was your state
25 of mind about this? I mean, did you think this was a

UNCLASSIFIED

pb76

UNCLASSIFIED

76

1 perfectly proper arrangement?

2 A Yes.

3 Q And why was that?

4 A Because I didn't think there was anything wrong
5 with it at that time. I didn't know what arrangements had
6 been made or were being made.

7 MR. TUOHY: Off the record for a second.

8 [Discussion off the record.]

9 BY MR. VAN CLEVE:

10 Q I want to turn now to the period after November
11 25th, Mr. Robinette. I'd like to ask you to try--and maybe
12 looking at your calendar will help you a little bit to place
13 in time some of the events a little more precisely. I don't
14 know that it will be--do you have a copy of the calendar?

15 A Yes, I do.

16 Q I don't know that it will be material today, but it
17 may be material at a later point.

18 A Okay.

19 Q I believe you told us that on December 9th that you
20 were interviewed by the FBI?

21 A December 10th.

22 Q My apologies. On December 10th you were interviewed
23 by the FBI. And as I recall your testimony ^{my} of the interview,
24 you said that you were asked generally about the Iran arms
25 sales, some questions about the contracts, and about your

UNCLASSIFIED

pb77

UNCLASSIFIED

77

1 relationship with Secord; is that right?

2 A I think so. You know, the best thing is to look at
3 their records or show them to me or something.

4 Q I can just tell you that whether we have them or
5 not, I have not done that and haven't had a chance, and I'm
6 not going to pursue it in detail.

7 Were you asked about Colonel North at that inter-
8 view?

9 A I could have been. But again, I don't have a clear
10 recollection of what they asked. They spent about an hour at
11 my home.

12 Q I'm not trying to put you on the spot, I'm just
13 trying to see what you remember.

14 A I can only answer--

15 Q You don't remember?

16 A No.

17 Q Okay. Now my notes reflect that you told us that
18 on December 11th you then got a phone call. Was it December
19 11th?

20 A Yes, it was. It looks like 12:00 from the agent.

21 Q So this would be the next day?

22 A Next day.

23 Q And it was a follow-up call by one of the agents
24 that had interviewed you the day before; is that--

A Yes.

UNCLASSIFIED

pb78

UNCLASSIFIED

78

1 Q And my question is--and I apologize for that sort
2 of lengthy introduction--did the phone call from Colonel
3 North come before or after the FBI had interviewed you in
4 December?

5 A That was asked yesterday. I can't recall.

6 Q You don't have any way of placing the phone call in
7 time?

8 A No, I notice my appointment calendar for December
9 is rather blank. I don't know whether it was me or what,
10 because I usually have a lot of notes on there. But I don't
11 know. There's no way for me to reconstruct that in my memory.

12 Q Now we went over some of this ground and I am not
13 at all interested in having the record be different on this
14 point than it already is. But I believe you told us that the
15 reason that you changed--you made out two bills that you put
16 false dates on them and so on--that one of the reasons was
17 that you wanted to protect Colonel North?

18 A That's right.

19 Q Mr. Robinette, you didn't know Colonel North at all
20 before May 1986; is that right?

21 A That's correct.

22 Q And you've never had any social dealings with him?

23 A That's correct.

24 Q And you really don't have any way of knowing much
25 about his performance in the government, do you?

UNCLASSIFIED

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pb79

79

1 A Personally, no.

2 Q So other than by general reputation, you really
3 don't know Colonel North?

4 A That's correct.

5 Q Why would you want to protect him?

6 A The few times that I did see him, I was impressed
7 with him. In addition, General Secord had talked--had
8 commented to me about Colonel North. And I think Colonel
9 Dutton had commented to me. And I know Tom Clines had
10 commented to me, all in the same lines, along the same lines
11 that Colonel North was a super hard-charger, a workaholic,
12 and a never-give-up type.

13 Another point that would affect my actions was I
14 was extremely impressed with Mrs. North and the family and
15 the lifestyle, and the problems that she as a mother and a
16 wife had to put up with. She had a pretty tough time out
17 there with Colonel North always working and she having to do
18 a lot of things on her own.

19 Q Now you knew it was important to General Secord to
20 continue his relationship with Colonel North, didn't you?

21 A No.

22 Q No?

23 A Are you speaking in regard to those notes, those
24 bills?

25 Q I am.

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1 A No, I would have--no, my concern with--my actions
2 with the bill was primarily for Colonel North. Now as far as
3 important that General Secord continue with Colonel--I don't
4 know. I don't know what they were doing. I don't know if it
5 would be important or not.

6 MR. TUOHY: Let me ask a clarifying ^{question.} Are you
7 asking whether or not a secondary motive or an alternative
8 motive in preparing these bills was to protect General Secord?

9 MR. VAN CLEVE: That's part of the question.

10 THE WITNESS: I think that's true to a degree, but
11 I don't know--that's true to some degree. But my primary
12 objective was Colonel North.

13 BY MR. VAN CLEVE:

14 Q Have you ever asked General Secord whether he's
15 received any kind of payment from North for the system?

16 A No, I've never asked him.

17 Q Even after the stories were in the paper and you
18 met with him on March 17th, that subject never came up?

19 A Never asked him. It just never came up.

20 MR. VAN CLEVE: I have a couple of additional
21 questions. I don't mean to be unnecessarily personal. But
22 bearing in mind that this is an executive session and that I
23 have not personally had the time to do the background review
24 that we would normally do here. I hope counsel will bear
25 with me.

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pb81

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81

1 MR. TUOHY: Off the record.
 2 [Discussion off the record.]
 3 BY MR. VAN CLEVE:
 1 Q Mr. Robinette, have you ever been arrested?
 2 A No.
 3 Q Have you ever been indicted by either a state or a
 4 federal agency?
 5 A No.
 6 Q And I take it that you have never plead guilty to
 7 any charge that would amount to a felony?
 8 A No.
 9 Q Would you please tell us the nature of the lawsuit
 10 that you're currently involved with down in South Carolina?
 11 A He's suing us for failure to --
 12 Q Who is he?
 13 A A fellow who is a principal in a firm. The firm is
 14 named Sisco and his name is Mario Salvador and he's suing for
 15 failure to meet terms of a contract.
 16 Q Are there any allegations that claim fraud in the
 17 business relationship?
 18 A I don't know. He had a lengthy number of -- you
 19 mean about us or about me?
 20 Q Yes. You or your business partners?
 21 A No, not that I know of but you have to look at
 22 their records. I'm not being evasive, I just don't recall

UNCLASSIFIED

pb82

82

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1 any.

2 Q How much money is involved in the lawsuit?

3 I'll take an approximate number. How much is the
4 claim being made against you?

5 A I think he wanted \$750,000 or we promised to pay
6 him over ten years, or something like that. I might now be
7 right on that. Somebody's been down there, I know. The
8 attorney said.

9 Q That may be, sir, but I can tell you for what it's
10 worth that they haven't been talking to me.

11 I am struck by the fact that you appear to have
12 voluntarily decided, in December 1986, that you were going to
13 go out of your way to try and protect Colonel North while he
14 was under investigation, as you knew, at the time by various
15 federal agencies and officials. As I understand your
16 testimony, you did that purely out of a disinterested
17 personal concern for Colonel North and his family, is that
18 correct?

19 A That's correct.

20 Q Obviously, the testimony you are giving here today
21 is going to have just the opposite effect when it's given in
22 public, isn't that so?

23 A Opposite effect?

24 Q I think it's fair to say that this testimony is
25 going to be very damaging to Colonel North when it's given in

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pb83

UNCLASSIFIED

83

1 public, isn't that so?

2 A Probably, yes.

3 Q Did it occur to you, in December of 1986, that you
4 might end up across the table, where you are today?

5 A No.

6 Q Why not? Didn't you think that federal inves-
7 tigators were going to be pursuing this matter?

8 A If it didn't occur to me, in December 1986, that's
9 why not. It didn't occur to me.

10 Q Mr. Robinette, you've spent a considerable part of
11 your career as an intelligence officer, isn't that so?

12 A Yes.

13 Q Surely you're aware of the investigative resources
14 available to the federal government, aren't you?

15 A Yes.

16 Q Do you mean to tell us that when you backdated
17 these bills, it never occurred to you that anyone was going
18 to figure this out?

19 A No, I probably wouldn't have done it. As everybody
20 says, in hindsight, they wish they hadn't done something.

21 MR. VAN CLEVE: I have nothing further right now.

22 Thank you.

23 [Whereupon, at 1:15 p.m., the taking of the
24 deposition was concluded.]

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[Whereupon, the witness having been

pb84

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84

1

advised of his right to read his

2

deposition, waived signature.]

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pb59

85

CERTIFICATE OF NOTARY PUBLIC

I, PAMELA BRIGGLE, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by the witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.



PAMELA BRIGGLE

Notary Public in and for the
District of Columbia

My Commission expires May 14, 1990.

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100TH CONGRESS
1ST SESSION

RESOLUTION

Robbinette

ex.

of the Senate Select Committee on
Secret Military Assistance to Iran
and the Nicaraguan Opposition

To immunize from use in prosecution the testimony of,
and other information provided by,
Glen A. Robinette

June 4, 1987

MR. INOUE, the Chairman of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, submitted the following resolution to the Committee, which approved it by unanimous vote of its eleven members on the 4th day of June, 1987.

Whereas, the Senate Select Committee on Secret Military

Assistance to Iran and the Nicaraguan Opposition is conducting an investigation under authority of Senate Resolution 23, 100th Congress, and will conduct proceedings to receive testimony and other information;

Whereas, the Select Committee may require Glen A. Robinette to testify and provide other information at its proceedings;

Whereas, Glen A. Robinette has refused to testify or provide other information at proceedings of the Select Committee on ground of self-incrimination; and

Whereas, pursuant to 18 U.S.C. §§ 6002 and 6005, a committee may seek, by two-thirds vote, a court order immunizing testimony and other information provided by a witness from use in prosecutions other than for perjury, giving a false statement, or otherwise failing to comply with the court order:

Now, therefore, be it

Resolved, That the Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, pursuant to 2 U.S.C. §§ 2251(a) and 2252, directs the Senate Legal Counsel to apply for a court order immunizing from use in prosecutions the testimony of, and other information provided by, Glen A. Robinette at proceedings of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

EXHIBIT A

Bill:

18. Nov-86

H. 1670

PB arrange payments as follows:

- \$125,000 to SAT (wire transfer for GDAEL)
- \$56,000 to EAST (wire transfer for GDAEL)
- \$9,000 to G.R. Robins, 3265
ARCADE PL NW, WASHINGTON, DC 20015
(mail check from US Bank, if possible)

Hope to see you soon!

Dick

EX. GR-7A
JAN 1987 PLS

ALEX MANAGER
ing telex: 08399

7263

GENEVA AUGUST 20TH, 1986

TO : REPUBLIC NATIONAL BANK OF NEW YORK, NEW YORK
FM : CSF INVESTMENTS LTD

ATTN MRS MORABIA

PLEASE ISSUE A CHECK IN THE AMOUNT OF
USD 9'000.--
TO THE ORDER OF G.R. ROBINETTE
AND MAIL IT DIRECTLY TO :

G.R. ROBINETTE
3265 ARCADIA PL NW
WASHINGTON DC 20015
USA

TEST KEY NO 151

THANK YOU IN ADVANCE
BEST REGARDS
CSF INVESTMENTS LTD.

** Start of response **
** Telex sent 16:05:33 20/08/86 **

DATE: 20/08/86
TIME: 16:05:33
REF: 08399

023 421434

023421434+
AUG 20 1005
421434 BLICBANK

428665 CSF CH
CI

428665 CSF CH
421434 BLICBANK

Dr 4203001

<1000001>

** End of telex **

CR 5606001

EX 62-73
/alco

1211 OFFICE PLANNING

TLL 022/36 53 00

20 AUG 66

2A 0920-7252-131

DEBIT ADVICE

WE HAVE DEBITED THE ACCOUNT ON THE NIGHT
AS PER ORDER OF 20 AUG 66

VAL 22 AUG 66 US\$ 9,815.00

UDALL FEDERAL CORP

H
Konto/Compte/Cuenta 1067

CURRENT ACCOUNT

499853-62-1
Zahlungsbuchungsbetrag des Zahlungsbefehls/de paiement/Ordre n° 62-1
REF. CHEQUE 000.001.011.011

BENEFICIARY
CORP INVESTMENTS LIMITED
VALLIS & HAYWARD BLDG
P.O. BOX 111 1273
BIR-HAMILTON 5-31 JERUSALEM

CONF. 05JU
367

HESCHENBURG/STAS SCHWELGER/Can d'ordine schweizero/Italy

SCHWELGERSCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

Firma/et ohne Unterschrift/Firma/et sans signature
Signature/et ohne Unterschrift/Firma/et sans signature

1 No 1758 128 1989

EX. GR-K
1/1/66 770

SCHWEIZERISCHE KREDITANSTALT
CREDIT SUISSE CREDITO SVIZZERO

GENEVE EAUX-VIVES

TEL. 022/36 53 80

Konto Inhaber / Titulaire du compte / Titulaire la conto / Account holder

UDALL RESEARCH CORP

630
26

EMENT OF ACCOUNT

PER 30.09.86

NOTE
Journ No. 649853-62-1

CURRENT ACCOUNT

Monnaie
Franc

A

Blatt / Feuille
Foglio / Sheet

2

16	Text / Texte / Testo	886 / 1 / 1 versio 1 / retro / p 1 o	Zu unsern Kunden / En notre faveur A nostro favore / In your favour	Zu unsern Kunden / En votre faveur A vostro favore / In your favour	Val	Saldo / Solde / Balance
86	PAYMENT ORDER	\$	81,433.89		070886	119,075.39 C
86	PAYMENT ORDER	\$	✓ 125,008.93		220886	
86	PAYMENT ORDER	\$	✓ 56,008.93		220886	
86	PAYMENT ORDER	\$	✓ 9,015.00		220886	
86	PAYMENT ORDER	\$	✓ 21,439.51	100,000.00	220886	7,603.02 C
86	CASH WITHDRAWAL	\$	✓ 7,035.00		230886	568.02 C
86	PAYMENT ORDER	\$	✓ 91,945.75		260886	
86	PAYMENT ORDER	\$	✓ 66,922.75		260886	1,699.52 C
86	PAYMENT ORDER	\$		140,000.00	260886	1,545.80 C
86	BALANCE OF CLOSING ENTRIES	9973	153.72		300986	*****
	TOTAL TURNOVER		706,558.20	732,911.12		



Republic National Bank of New York *H*
452 Fifth Avenue • New York, New York 10018

208623

DATE 8/20/66

PAY \$ 9,000.00

1669

29

PAID TO

J.R. ROBINETTE

AS PER YOUR REQUEST

C S F INVESTMENTS LTD

66616436

TOTAL OF \$9,000.00

FOR CREDIT TO THE ACCOUNT OF

[Signature]
AUTHORIZED SIGNATURE

AMOUNT

9,000.00

LESS COMMISSION

NET AMOUNT

9,000.00

EX. GR-7E

Dr-10

INVOICE

NO. _____
 DATE _____
 YOUR ORDER NO. _____
 OUR ORDER NO. _____

SHIP TO:

703 Kentland Drive
 Greenville, S.C. 29615

BILL TO:

703 Kentland Drive
 Greenville, S.C. 29615

SALESMAN

DATE SHIPPED SHIPPED VIA

AMOUNT

PRICE

DESCRIPTION

QUANTITY

TRIPlicate

EX-GR-8A

INVOICE

NO.	5-00	5/2
DATE	12/17/66	
YOUR ORDER NO.	CC331-1814	
OUR ORDER NO.	7369	

SHIP TO: Wilson Health 703 Kentfield
Great Falls, VA 22066

[illegible]



Glenn Robinette & Associates

3268 ARCADIA PLACE NW
WASHINGTON, DC 20015

(202) 966-3873

R 8

262

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and
Services at 703 Kentland Drive, Great Falls, VA. \$8,000.00

(This equipment should prevent any further problems for
you and the family. Please call me if there are any questions
about the operation of the systems and/or any other matters
regarding protective security)

Many thanks!

Ex. GR9-A
6/17/87 TMB



Glenn Robinette & Associates

3285 ARCADEA PLACE NW
WASHINGTON, DC 20015

(202) 966-5873

R 8

26

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and
Services at 703 Kentland Drive, Great Falls, VA. \$8,000.00

(This equipment should prevent any further problems for
you and the family. Please call me if there are any questions
about the operation of the systems and/or any other matters
regarding protective security)

Many thanks!

22 September 1986

Ollie,

Due to my schedule I have not found time to follow up
on my paper work - as you can see from the dates. I'm sure
that you have had the same problem. Please remit when you
have time.

Many thanks!

Ex GR-9B
6/17/87 RCB

LtCol Oliver L. North, USMC
703 Kentland Dr.
Great Falls, Va. 22066

18 May 1986

Dear Mr. Robinette

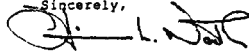
My wife and I have considered your kind offer to expedite the installation of a security system at our house in Great Falls. In view of the recent threat by Abu Nidal my frequent absences from home, we would very much appreciate it if you could proceed in accord with the terms we discussed in our last meeting.

It is my understanding that the full system will cost approximately \$8000-8500; that it can be installed quickly; and that we have two options for reimbursing you for the expenses:

1. Loan of the equipment for a period not to exceed the expiration of my active service in the United States Marine Corps (June 1988), at which time we will make our home available for commercial endorsement of your firm and the equipment without fee; or
2. Payment in full for the equipment and the cost of installation in 24 equal monthly increments commencing on the date that the installation is completed and fully operational.

Given our current financial situation, we would prefer the first alternative if this is still amenable to your company. I am particularly concerned about the safety of the children given the unfortunate media visibility my position has generated. If the aforementioned terms are still acceptable to you, we would like to have you commence work as soon as possible. We are, of course, prepared to sign an endorsement contract now if you require more than this letter as indication of our intent.

Sincerely,



Oliver L. North

Ex GR-10A
6/17/87 P103

Oliver L. North
703 Kuntland Dr.
Falls Church, Va. 22066
1 Oct 86

Dear Glenn,

Please forgive me for not getting back to you sooner. I've been out of town and we seem to keep missing each other on phone calls.

The reason for my first call was to inquire about your note of September 22. We are a bit confused and surely don't want there to be any misunderstanding in that we are very pleased with the security arrangements at the house. I am also grateful for your looking in on Betsy and the girls now that Stuart is off at school and my hectic pace does not seem to have slowed a bit.

Back to the point: your note of September 22. It was our understanding that we were going to go ahead with the first option for reimbursement - that is: commercial endorsement of your company and the equipment when I retire from the Marine Corps in 1988. If that is not your understanding, we need to get together and talk. While we are very pleased with the system and the fact that it "came in under estimate" (old Pentagon saying), we just don't have \$8,000 without borrowing it, and with Stuart in school, and Tait going next year, that is a real problem.

Please advise soonest. I don't want you to be caught short - but I don't want to have to resort to holding up gas stations on my way home from work at night either.

Warm regards,

*D.S. Please forgive the
type - I literally
dropped the ball*

Ex. GR-101
1/10/87

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND
THE NICARAGUAN OPPOSITION

The United States Senate
Washington, D.C. 20510,

Applicant.

Misc. No. 87-*214*

ORDER

Upon consideration of the application by the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, and upon determining that the procedural requirements set forth in 18 U.S.C. § 6005 have been satisfied, it is, this 15th day of June, 1987,

ORDERED That Glen A. Robinette may not refuse to testify, and provide other information, at proceedings of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, on the basis of his privilege against self-incrimination, and it is

FURTHER ORDERED That no testimony or other information compelled under this Order (or any information directly or indirectly derived from such testimony or other information) may be used against Glen A. Robinette in any criminal case, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with this Order.

United States District Judge

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND
THE NICARAGUAN OPPOSITION

The United States Senate
Washington, D.C. 20510,

Applicant.

Misc. No. 87-214

APPLICATION FOR ORDER IMMUNIZING TESTIMONY AND
OTHER INFORMATION PROVIDED BY GLEN A. ROBINETTE

1. The Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition applies to this Court for an order, pursuant to 18 U.S.C. §§ 6002 and 6005, immunizing from use in prosecutions testimony and other information provided by one of its witnesses, Glen A. Robinette, at proceedings of the Select Committee.

2. Senate Resolution 23, 100th Cong. 1st Sess., 133 Cong. Rec. S575-78 (daily ed., Part II, Jan. 6, 1987), established the Select Committee and authorized it to conduct an investigation into transactions to provide arms to Iran and into the use of the proceeds from those transactions.

3. Senate Resolution 23 authorizes the Select Committee to hold hearings, conduct depositions and require answers to interrogatories; issue subpoenas for obtaining testimony and documents; and apply for immunity orders under 18 U.S.C. §§ 6002 and 6005.

RECEIVED
JUN 5 9 51 AM '87

4. On June 4, 1987, by a unanimous vote of its eleven members, the Select Committee adopted a resolution directing the Senate Legal Counsel to apply for an order immunizing testimony and other information provided by the witness at proceedings of the Select Committee. The Select Committee's resolution is attached as Exhibit A.

5. It is anticipated that the witness will invoke his constitutional privilege against self-incrimination.

6. In accordance with 18 U.S.C. § 6005 and 28 U.S.C. § 594(a)(7), we notified Independent Counsel Lawrence E. Walsh on June 4, 1987, of the Select Committee's intention to request this order. A copy of the notice to the Independent Counsel is attached as Exhibit B. On June 4, 1987, we also notified the Attorney General of the Select Committee's intention to request this order. A copy of the notice to the Attorney General is attached as Exhibit C. A certificate of service of Exhibits B and C is attached as Exhibit D.

7. We have been authorized to represent to this Court that neither the Independent Counsel nor the Attorney General will request this Court, under 18 U.S.C. § 6005(c), to defer the issuance of an immunity order for this witness.

GLENN A. ROBINETTE 3285 ARCADIA PLACE, N.W. WASHINGTON, D.C. 20015		294
19 May 1986		154 540
PAY TO THE ORDER OF	VATEC Inc	\$6000.00
Six thousand		DOLLARS
1st AMERICAN <small>FIRST AMERICAN BANK, N.A. WASHINGTON, DC</small>		
FOR	Equipment	Glenn Robinette
⑆054000043⑆	5 404 83610 0294	⑆0000600000⑆

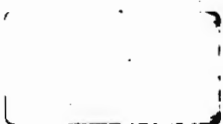
Ex. GR-3
10127 TCS

REC 714 (M) 347-8184
PERCENTILE - SAFE DEP
COLUMBIA, MD.



100 DEPOSIT
OCT 10 1964
COLUMBIA, MD.

W 100 10 10



Oliver L. North
703 Kentland Dr.
Falls Church, Va. 22066
1 Oct 86

Dear Glenn,

Please forgive me for not getting back to you sooner. I've been out of town and we seem to keep missing each other on phone calls.

The reason for my first call was to inquire about your note of September 22. We are a bit confused and surely don't want there to be any misunderstanding in that we are very pleased with the security arrangements at the house. I am also grateful for your looking in on Betsy and the girls now that Stuart is off at school and my hectic pace does not seem to have slowed a bit.

Back to the point: your note of September 22. It was our understanding that we were going to go ahead with the first option for reimbursement - that is; commercial endorsement of your company and the equipment when I retire from the Marine Corps in 1988. If that is not your understanding, we need to get together and talk. While we are very pleased with the system and the fact that it "came in under estimate" (old Pentagon saying), we just don't have \$8,000 without borrowing it, and with Stuart in school, and Tait going next year, that is a real problem.

Please advise soonest. I don't want you to be caught short - but I don't want to have to resort to holding up gas stations on my way home from work at night either.

Warm regards,

*D.S. Please forgive the
type - I literally
dropped the ball*

Ex. GR-10B
6/7/89 TDS

LtCol Oliver L. North, USMC
703 Kentland Dr.
Great Falls, Va. 22066

18 May 1986

Dear Mr. Robinette

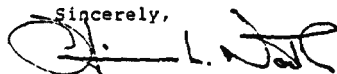
My wife and I have considered your kind offer to expedite the installation of a security system at our house in Great Falls. In view of the recent threat by Abu Nidal my frequent absences from home, we would very much appreciate it if you could proceed in accord with the terms we discussed in our last meeting.

It is my understanding that the full system will cost approximately \$8000-8500; that it can be installed quickly; and that we have two options for reimbursing you for the expenses:

1. Loan of the equipment for a period not to exceed the expiration of my active service in the United States Marine Corps (June 1988), at which time we will make our home available for commercial endorsement of your firm and the equipment without fee; or
2. Payment in full for the equipment and the cost of installation in 24 equal monthly increments commencing on the date that the installation is completed and fully operational.

Given our current financial situation, we would prefer the first alternative if this is still amenable to your company. I am particularly concerned about the safety of the children given the unfortunate media visibility my position has generated. If the aforementioned terms are still acceptable to you, we would like to have you commence work as soon as possible. We are, of course, prepared to sign an endorsement contract now if you require more than this letter as indication of our intent.

Sincerely,



Oliver L. North

Ex GR-10A
6/17/87 703

*Glenn Robinette & Associates*3265 ARCADIA PLACE NW
WASHINGTON, DC 20015

(202) 966-5873

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and
Services at 703 Kentland Drive, Great Falls, VA. \$8,000.00

(This equipment should prevent any further problems for
you and the family. Please call me if there are any questions
about the operation of the systems and/or any other matters
regarding protective security)

Many thanks!

Ex. GR-9A
4/17/87 7443



Glenn Kabinette & Associates

3265 ARCADIA PLACE, NW
WASHINGTON, DC 20015

(202) 966-5873

2 July 1986

Lt. Col. Oliver North
703 Kentland Drive
Great Falls, Virginia 22066

For Installation of Security Equipment, Systems and
Services at 703 Kentland Drive, Great Falls, VA. \$8,000.00

(This equipment should prevent any further problems for
you and the family. Please call me if there are any questions
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regarding protective security)

Many thanks!

22 September 1986

Ollie,

Due to my schedule I have not found time to follow up
on my paper work - as you can see from the dates. I'm sure
that you have had the same problem. Please remit when you
have time.

Many thanks!

Ex. GR-9B
4/9/87 JDS

CARDKEY Security Systems
DOR-O-MATIC Automatic Doors
STANLEY Parking Gate & Fence Controls

ADS

Automatic Door Specialists

Exh. 1
31161C7
132 Washington Boulevard
Laurel, Maryland 20707
Balt. 301-792-4090 Wash. 301-953-7900

PROPOSAL SUBMITTED TO Glenn Robinette and Associates		PHONE 966 - 5873	DATE June 17, 1986
FREET 3365 Arcadia Place, NW		JOB NAME Private Residence	
CITY, STATE AND ZIP CODE Washington, D.C. 20015		JOB LOCATION Kentland Drive, Great Falls, Virginia	
ARCHITECT -----	DATE OF PLANS -----	JOB PHONE -----	

We hereby submit specifications and estimates for:

Automatic Door Specialists (ADS) will automate the existing gate using an Edko Medium Duty Swing Gate Operator. To accommodate automation of gate, ADS will remove existing wooden gate post, replace it with a metal post painted white.

In conjunction with automation of the gate, ADS will provide one Multi-Elmac Receiver and two Multi-Elmac Single Button Transmitters to operate gates from an automobile.

ADS also will install an Aiphone Intercom consisting of an IBG-IGD Master Station inside the front door, and IBG-1HD Additional Master on the upstairs bedroom, and an IB-DA Door Station on a post outside the gate.

ADS will install intercom wiring through existing conduit and will obtain power from existing box in the yard near the gate location.

Quoted price doesnot include price of permits, if needed.

GUARANTEE - Material & Equip. - 1 yr. Labor - 3 mo.

authr
Ag in
+ 1 transmitter =
#2173

We Propose hereby to furnish material and labor — complete in accordance with above specifications, for the sum of:

Two thousand one hundred fifty-four dollars (\$ **2,154.00**)

Payment to be made as follows:

1% discount / 20 day. Net 30. A 1% service charge will be charged 30 days

after the date of the invoice.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature *Bryan Chatham*
Benjamin P. Chatham
Note: This proposal may be withdrawn by user if not accepted within **30** days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: **26 June '86**

Signature *Glenn Robinette*
Signature _____

AUTOMATIC DOOR

SPECIALISTS

132 WASHINGTON BOULEVARD LAUREL MARYLAND 20707-4397 • WASHINGTON 953-7900 BALTIMORE 792-4080

July 7, 1986

Glen Robinette and Associates
3265 Arcadia Place, NW
Washington, DC 20015

Dear Mr. Robinette:

Attached is an invoice for \$ 2,173.00. This amount represents the original \$ 2,154.00 contracted for, plus \$ 19.00 for an additional radio transmitter.

Mr. Robinette, Automatic Door Specialists appreciates the business represented by this invoice. If we may provide additional assistance to you in the future, please do not hesitate to contact me.

Very truly yours,
AUTOMATIC DOOR SPECIALISTS


Benjamin P. Chatham
Operations Director

Ex. GR-63
6/17/87 FLB

27647

AUTOMATIC DOOR SPECIALISTS132 WASHINGTON BOULEVARD
LAUREL, MARYLAND 20707-4387PHONE: WASHINGTON 953-7900
BALTIMORE 792-4090**JOB INVOICE****DOOR CONTROLS****SECURITY CARDS****PARKING GATES**

BILL TO	Glenn Robinette and Associates	DATE OF ORDER	7/7/86
ADDRESS	3365 Arcadia Place NW		
CITY	Washington, D. C. 20015		
JOB	Private Residence, Kentland Drive, Great Falls, Va.		

Original Contract \$2,173.00

This Includes

One extra Medium Duty Swing Gate Operator

One Multi Line Receiver and 1 Multi Line
single button transmitters

One TDC-100 Master Station

One TDC-100 Slave Station

One TDC-100 Slave Station

Install intercom wiring.

Installation for the above.

Contract 100% Complete \$2,173.00

7/10/86
Pd cash

CHARGE

E 100 000 12

EX GR-6C
1.7.87 TUA

VATEC INCORPORATED
122 Lafayette Avenue
LAUREL, MARYLAND 20707

INVESTIGATION

3166

PYMT RCVD

7-10-86

DATE	ORDER NO.
06/20/86	J369
SHIP TO	
Kentland Drive Property	

Mr. Glenn H. Snodgrass

3205 Arcaden Place, N.W.

Washington, D.C. 20015

		Net -- 30	
1. Alarm System and Car Alarm.	Materials	\$3,087 00	
	Labor	4,480 00	
			\$ 7,567 00
2. Electrical Work.	Materials	1,256 00	
	Labor	2,880 00	
			4,136 00
	SUB-TOTAL		\$11,703 00
	Less Down Pymt.		6,000 00
	TOTAL DUE:		\$ 5,703 00

DUPLICATE

Thank You

Ex. G2-54
6/7/87 TMB

VATEC, INCORPORATED

122 LAFAYETTE AVENUE

LAUREL, MD. 20707

953 0057

COPY

MR. GLENN ROBINETTE
3265 ARCADIA PLACE, N.W.
WASHINGTON, D.C. 20015

J-369

JULY 10, 1986

DEAR MR. ROBINETTE:

PER YOUR REQUEST, THE FOLLOWING IS A SIMPLIFIED TECHNICAL EXPLANATION OF THE SYSTEM DESIGNED AND INSTALLED BY "VATEC, INC." AT THE NORTH RESIDENCE IN THE GREAT FALLS AREA OF FAIRFAX COUNTY VA.


IN ORDER TO MEET SOME SPECIAL REQUIREMENTS WE BOTH FELT WERE NEEDED TO ENHANCE THE PROTECTION OF THE AFORMENTIONED PROPERTY, I DESIGNED AND ENGINEERED A SYSTEM TO DO CERTAIN OPERATIONS BOTH MANUALLY AND AUTOMATICALLY.

THE BASIC SYSTEM CONSISTS OF A WIRELESS ALARM SYSTEM WHICH PROTECTS THE HOUSE BY DETECTING UNAUTHORIZED ENTRY AND MOVEMENT WITHIN THE HOUSE WHILE ARMED. THE HOUSE IS ALSO PROTECTED FROM FIRE BY THE INSTALLATION OF THE "SMOKE DETECTORS". OUTSIDE LIGHTS, USING THE LATEST ADVANCES IN TECHNOLOGY, WERE INSTALLED TO INCREASE THE PROTECTION. IT IS A WELL KNOWN FACT THAT THE GREATEST DETERANT TO BURGLARS AND VANDALS ETC., IS THE PRESENCE OF LIGHT. THESE LIGHTS ARE ARRANGED SO THAT THEY CAN BE USED FOR CONVENIENCE AND ARE CONNECTED SO THAT AN ALARM BY THE SYSTEM TURNS ALL LIGHTS ON UNTIL THE ALARM IS TURNED OFF BY THE OWNER. THE SYSTEM IS ALSO CONNECTED BY THE PHONE TO A CENTRAL STATION WHICH CALLS THE PROPER AUTHORITIES WHEN THERE IS AN UNAUTHORIZED ENTRY, FIRE OR OTHER KIND OF EMERGENCY SITUATION, BY SPECIAL ELECTRONIC CODE.

I ALSO HAD A SPECIAL ELECTRICAL CIRCUIT INSTALLED AT THE FRONT OF THE PROPERTY NEAR THE GATE TO PROVIDE A MEANS BY WHICH VARIOUS DEVICES COULD BE OPERATED BY STANDARD "AC" LINE VOLTAGE. I MADE SURE BY MY SPECIFICATIONS THAT CERTAIN SAFETY PRECAUTIONS WERE INCORPORATED SO AS TO MAKE THAT CIRCUIT MORE RELIABLE.

THE WORK ALSO INCLUDED THE INSTALLATION OF A SIREN IN ONE VEHICLE TO BE USED AS A DISTRESS SIGNAL.

REGARDS,


JIM MOORE VP
VATEC, INC.

Ex. G2-5B
6/17/87 715

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

HOUSE SELECT COMMITTEE TO INVESTIGATE)
COVERT ARMS TRANSACTIONS WITH IRAN)

U.S. House of Representatives)
Washington, D.C. 20515)

Applicant.)

Misc. No. 87-0210

FILED

JUN 15 1987

ORDER

CLERK, U.S. DISTRICT COURT,
DISTRICT OF COLUMBIA

On consideration of the application by the House Select Committee to Investigate Covert Arms Transactions with Iran and the memorandum of points and authorities, and exhibits, in support thereof, the Court finds that the procedural requisites set forth in 18 U.S.C. § 6005 for an order of the Court have been satisfied. Accordingly, it is

ORDERED that Glen Robinette may not refuse to provide any evidence in proceedings before the House Select Committee to Investigate Covert Arms Transactions with Iran on the basis of his privilege against self-incrimination, and it is

FURTHER ORDERED that no evidence obtained under this Order (or any information directly or indirectly derived from such evidence) may be used against Glen Robinette in any criminal case, except a prosecution for perjury, giving a false statement, or otherwise failing to comply with this Order.

FURTHER ORDERED That this Order shall become effective on
June 15, 1987.

Louis F. Oberdorfer
United States District Judge

Dated: June 15, 1987

United States District Court
for the District of Columbia
A TRUE COPY

JAMES F. DAVEY, CLERK.

By *James F. Davey*
Deputy Clerk

Wherefore, the Select Committee respectfully requests that this Court issue an order immunizing from use in prosecutions testimony and other information provided by Glen A. Robinette at proceedings of the Select Committee.

Respectfully submitted,



Michael Davidson
Senate Legal Counsel

Ken U. Benjamin, Jr.
Deputy Senate Legal Counsel

Morgan J. Frankel
Assistant Senate Legal Counsel

Susan B. Fine
Assistant Senate Legal Counsel

642 Hart Senate Office Building
Washington, D.C. 20510
(202) 224-4435

Of Counsel:

Arthur L. Liman
Paul J. Barbadoro
Mark A. Belnick

Counsel for Senate Select Committee
on Secret Military Assistance to Iran
and the Nicaraguan Opposition

Dated: June 15, 1987

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND
THE NICARAGUAN OPPOSITION

The United States Senate
Washington, D.C. 20510,

Applicant.

Misc. No. 87-214

MEMORANDUM OF POINTS AND AUTHORITIES IN
SUPPORT OF APPLICATION FOR ORDER IMMUNIZING TESTIMONY
AND OTHER INFORMATION PROVIDED BY GLEN A. ROBINETTE

The Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition is applying to this Court for an order immunizing testimony and other information which will be provided to it by one of its witnesses, Glen A. Robinette. The application is presented pursuant to 18 U.S.C. § 6005 which provides, in relevant part:

§ 6005. Congressional proceedings.

(a) In the case of any individual who has been or may be called to testify or provide other information at any proceeding before either House of Congress, or any committee ... a United States district court shall issue, in accordance with subsection (b) of this section, upon the request of a duly authorized representative of the House of Congress or the committee concerned, an order requiring such individual to give testimony or provide other information which he refuses to give or provide on the basis of his privilege against self-incrimination, such order to become effective as provided in section 6002 of this part.

(b) Before issuing an order under subsection (a) of this section, a United States district court shall find that--

(1) * * * *

(2) in the case of a proceeding before a committee or a subcommittee of either House of Congress ... the request for such an order has been approved by an affirmative vote of two-thirds of the members of the full committee; and

(3) ten days or more prior to the day on which the request for such an order was made, the Attorney General was served with notice of an intention to request the order.

(c) Upon application of the Attorney General, the United States district court shall defer the issuance of any order under subsection (a) of this section for such period, not longer than twenty days from the date of the request for such order, as the Attorney General may specify.

This law provides the mechanism by which a witness before a congressional committee receives "use immunity" for testimony. The immunized witness remains subject to prosecution for the transactions about which he or she testifies if the government sustains the burden of proving at trial that it did not use the immunized testimony or its fruits in the prosecution. See Kastigar v. United States, 406 U.S. 441, 459-62 (1972). Because the court's inquiry on an application for an immunity order is narrow and its tests are mechanical, the application may be decided ex parte without a hearing. Ryan v. Commissioner of Internal Revenue, 568 F.2d 531, 540 (7th Cir. 1977), cert. denied, 439 U.S. 820 (1978).

Section 6005 sets out the two requirements for an immunity order, both of which have been met.^{1/} First, "in the case of a

^{1/} The Select Committee may apply for this order prior to summoning the witness to testify or provide information at one of its proceedings. In re Application of United States Senate Permanent Subcommittee on Investigations (Cammisano), 655 F.2d 1232, 1236-38 (D.C. Cir.), cert. denied, 454 U.S. 1084 (1981).

proceeding before a committee ... the request for such an order has been approved by an affirmative vote of two-thirds of the members of the full committee." 18 U.S.C. § 6005(b)(2). The Select Committee's resolution (Exhibit A to the application), shows that the Committee approved this request for an order by a unanimous vote of its eleven members on June 4, 1987.

Second, "ten days or more prior to the day on which the request for such an order was made, the Attorney General was served with notice of an intention to request the order." 18 U.S.C. § 6005(b)(3). Under 28 U.S.C. § 594(a) and (a)(7), an independent counsel has, for all matters within his prosecutorial jurisdiction, "full power and independent authority to exercise all investigative and prosecution functions and powers of the ... Attorney General ... includ[ing] ... for purposes of section[] ... 6005 of title 18, exercising the authority vested in ... the Attorney General." The testimony and other information sought to be compelled from the witness is within the investigative and prosecutorial jurisdiction that the special division of the District of Columbia Circuit has vested in Independent Counsel Lawrence E. Walsh. In re Oliver L. North, et al., Div. No. 86-6 (D.C. Cir. Division for the Purpose of Appointing Independent Counsels, Dec. 19, 1986). The accompanying certificate (Exhibit D) shows that Independent Counsel Lawrence E. Walsh was served with notice of our intention to request this order (Exhibit B); notice to the

Independent Counsel was given on June 4, 1987, which is "ten days or more prior to" today.^{2/}

Accordingly, the Select Committee requests that the Court issue an order immunizing the testimony and other information which Glen A. Robinette will provide at proceedings of the Select Committee.

Respectfully submitted,



Michael Davidson
Senate Legal Counsel

Ken U. Benjamin, Jr.
Deputy Senate Legal Counsel

Morgan J. Frankel
Assistant Senate Legal Counsel

Susan B. Fine
Assistant Senate Legal Counsel

642 Hart Senate Office Building
Washington, D.C. 20510
(202) 224-4435

Of Counsel:

Arthur L. Liman
Paul J. Barbadoro
Mark A. Belnick

Counsel for Senate Select Committee
on Secret Military Assistance to Iran
and the Nicaraguan Opposition

Dated: June 15, 1987

^{2/} On June 4, 1987, we also notified the Attorney General (Exhibit C) in the event that he believes that notice should also be provided to him notwithstanding 28 U.S.C. § 594(a)(7).

85
4

SELECT COMMITTEE TO INVESTIGATE COVERT
ARMS TRANSACTIONS WITH IRAN
U.S. HOUSE OF REPRESENTATIVES
and
SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE
TO IRAN AND THE NICARAGUAN OPPOSITION
UNITED STATES SENATE

Washington, D.C.
Wednesday, June 17, 1987

The deposition of GLENN A. ROBINETTE, called for examination in the above-entitled matter, pursuant to notice, in the offices of the Senate Ethics Committee, Room 220, Hart Senate Office Building, Washington, D.C., convened at 10:41 a.m., before Pamela Briggie, a notary public in and for the District of Columbia, when were present on behalf of the parties:

af - 115 p.m.

APPEARANCES:

On Behalf of the Select Committee on Secret Military Assistance to Iran and Nicaraguan Opposition of the United States Senate:

PAUL BARBADORO
Deputy Chief Counsel
KENNETH BALLENG, Staff Counsel
JOHN R. MONSKY, Staff Counsel
Room 901
Hart Senate Office Building
Washington, D.C.

On Behalf of the Select Committee to Investigate Arms Transactions with Iran of the U.S. House of Representatives:

GEORGE W. VAN CLEVE
Room H-149, U.S. Capitol
House of Representatives
Washington, D.C.

On Behalf of the Witness:

MARK H. TUOHEY, III, ESQUIRE
Pierson, Ball & Dowd
1200 18th Street, N.W.
Washington, D.C.

Also Present: Thomas Polgar

pb3

3

C O N T E N T S

WITNESS

EXAMINATION

GLENN A. ROBINETTE

By Mr. Barbadoro
By Mr. Van Cleve

4

E X H I B I T S

NUMBER

FOR IDENTIFICATION

GR-1	4
GR-2A-B	4
GR-3	4
GR-4A-B	4
GR-5A	4
GR-6A-B	4
GR-7A-F	4
GR-8A-E	4
GR-9A-B	4
GR-10A-B	4
GR-11A-B	4

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SENATE SELECT COMMITTEE ON SECRET
MILITARY ASSISTANCE TO IRAN AND
THE NICARAGUAN OPPOSITION

The United States Senate
Washington, D.C. 20510,

Applicant.

Misc. No. 87-214

FILED

JUN 15 1987

ORDER

CLERK, U.S. DISTRICT COURT
DISTRICT OF COLUMBIA

Upon consideration of the application by the Senate

Select Committee on Secret Military Assistance to Iran and the
Nicaraguan Opposition, and upon determining that the procedural
requirements set forth in 18 U.S.C. § 6005 have been satisfied,
it is, this 15th day of June, 1987,

ORDERED That Glen A. Robinette may not refuse to
testify, and provide other information, at proceedings of the
Senate Select Committee on Secret Military Assistance to Iran
and the Nicaraguan Opposition, on the basis of his privilege
against self-incrimination, and it is

FURTHER ORDERED That no testimony or other information
compelled under this Order (or any information directly or
indirectly derived from such testimony or other information)
may be used against Glen A. Robinette in any criminal case,
except a prosecution for perjury, giving a false statement, or
otherwise failing to comply with this Order.

United States District Court
for the District of Columbia
A TRUE COPY

JAMES F. DAVY, CLERK,

By

Ernest L. Decker
Deputy Clerk

Louis F. Robinette
United States District Judge

Ex. GR-11B

MICHAEL DAVIDSON
COUNSEL

KEN U. BENJAMIN, JR.
DEPUTY COUNSEL

MORGAN J. FRANKEL
SUSAN B. FINE
LEGIST COUNSEL

Phone: 202-224-4431


United States Senate

OFFICE OF SENATE LEGAL COUNSEL
WASHINGTON, DC 20510-7350

NOTICE OF INTENTION TO REQUEST ORDER CONFERRING IMMUNITY

TO: The Honorable Lawrence E. Walsh
Independent Counsel
555 13th Street, N.W., Suite 701
Washington, D.C. 20004

Please take notice that the undersigned, as representative of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, will request the United States District Court for the District of Columbia, pursuant to 18 U.S.C. § 6005 and 2 U.S.C. §§ 288b(d) and 288f, to issue an order immunizing from use in prosecutions the testimony of, and other information provided by, Glen A. Robinette at proceedings of the Select Committee.


Michael Davidson
Senate Legal Counsel
642 Senate Hart Building
Washington, D.C. 20510
(202) 224-4435

Dated: June 4, 1987

EXHIBIT B

MICHAEL DAVIDSON

COUNSEL

KEN U. BENJAMIN, JR.

DEPUTY COUNSEL

MORGAN J. FRANKEL

SUSAN B. FINE

ASSISTANT COUNSEL

Phone: 202-224-4435

United States Senate


OFFICE OF SENATE LEGAL COUNSEL

WASHINGTON, DC 20510-7250

NOTICE OF INTENTION TO REQUEST
ORDER CONFERRING IMMUNITY

TO: The Honorable Edwin Meese III
The Attorney General of the United States
Washington, D.C. 20530

Please take notice that the undersigned, as representative of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, will request the United States District Court for the District of Columbia, pursuant to 18 U.S.C. § 6005 and 2 U.S.C. §§ 288b(d) and 288f, to issue an order immunizing from use in prosecutions the testimony of, and other information provided by, Glen A. Robinette at proceedings of the Select Committee.


Michael Davidson
Senate Legal Counsel
642 Senate Hart Building
Washington, D.C. 20510
(202) 224-4435

Dated: June 4, 1987

EXHIBIT C

CERTIFICATE OF SERVICE

I certify that on June 4, 1987, in accordance with 18 U.S.C. § 6005(b)(3) and 28 U.S.C. § 594(a)(7), I caused to be hand delivered to The Honorable Lawrence E. Walsh, Independent Counsel, and the Honorable Edwin Meese III, the Attorney General of the United States, notices of the intention of the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition to seek an order conferring immunity upon Glen A. Robinette.



Michael Davidson
Senate Legal Counsel

EXHIBIT D

STAMFORD TECHNOLOGY TRADING
GROUP INTERNATIONAL
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VIENNA, VA. 22182

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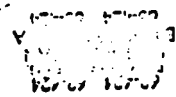
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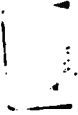
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12/07/01	12/07/01		100.00	6800.00	12/07/01		100.00	6800.00
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12/25/01	12/25/01		100.00	8600.00	12/25/01		100.00	8600.00
12/26/01	12/26/01		100.00	8700.00	12/26/01		100.00	8700.00
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12/28/01	12/28/01		100.00	8900.00	12/28/01		100.00	8900.00
12/29/01	12/29/01		100.00	9000.00	12/29/01		100.00	9000.00
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PLEASE WRITE FINALLY

GLENN A. ROBINETTE
 3285 ARCADIA PLACE, N.W.
 WASHINGTON, D.C. 20018

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 BE SURE
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 IS PROPERLY
 ENDORSED

DATE 20 May

TOTAL 7000 00

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UNCLASSIFIED TRANSCRIPT OF PROCEEDINGS

HSC 008 / 87

C O N F I D E N T I A L

UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

~~CONFIDENTIAL~~
DEPOSITION OF FELIX I. RODRIGUEZ
~~C O N F I D E N T I A L~~

Partially Declassified / Released on 20 Aug 1987
 under provisions of E.O. 12356
 by J. Reger, National Security Council

3715

Washington, D. C.

Friday, May 1, 1987

UNCLASSIFIED ~~CONFIDENTIAL~~

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UNITED STATES SENATE

SELECT COMMITTEE ON

SECRET MILITARY ASSISTANCE TO

IRAN AND THE NICARAGUAN OPPOSITION

DEPOSITION OF FELIX I. RODRIGUEZ

Washington, D.C.

Thursday, April 30, 1987

Deposition of FELIX I. RODRIGUEZ, called for
examination pursuant to subpoena, at the Hart Senate Office
Building, Suite 901, at 10:35 a.m., before Michael G.
Paulus, a notary public in and for the District of
Columbia, when were present on behalf of the respective
parties:

PAUL BARBADORO, ESQ.

Deputy Chief Counsel

United States Senate Select

Committee on Iran and the

Nicaraguan Opposition

- continued -

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TOM P. FOLGAR, ESQ.

RICHARD CULLEN, ESQ.

RICHARD ARENBERG, ESQ.

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C O N T E N T S

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WITNESS**EXAMINATION**

3

Felix I. Rodriguez

4

By Mr. Barbadoro

4

5

E X H I B I T S

6

(None.)

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Mike Paulus 1

P R O C E E D I N G S

2 Whereupon,

3 FELIX I. RODRIGUEZ

4 was called as a witness and, having been first duly sworn,
5 was examined and testified as follows:

6 EXAMINATION

7 BY MR. BARBADORO:

8 Q Mr. Rodriguez, you received a letter from
9 Colonel North in September of 1985, did you not?

10 A Yes, sir, I did.

11 Q When did you receive that letter, exactly?

12 A It was dated the 20th and I received it on the
13 29th.14 Q You have provided the committee with a copy of
15 that letter, correct?

16 A Yes, sir, I have.

17 Q Can you tell me in general terms what that
18 letter asked you to do?19 A It was basically to set up a logistical aspect
20 of the Nicaraguan freedom fighters resupply network. The
21 letter actually said only to be able to produce maintenance
22 at the area where I was able to help in Central America.**UNCLASSIFIED**

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Mike Paulus 1

Q Did this letter ask you to provide storage facilities for ammunition and humanitarian aid?

A No, sir. Not at that time.

Q It only asked you to provide maintenance facilities?

A Right. Space in the area where airplanes could be serviced on a week basis and two or three different types of aircraft.

Q What did you do after you received the letter?

A I talked to the proper people that I was asked to contact and that I knew and had good relations with and acquired the okay to go ahead and use that area for maintenance of the aircraft. On the following day I notified Colonel North over the telephone that it was a go.

Q Did Colonel North give you any instructions at that time?

A In the letter he said that the individual who was going to help me to set this up will call me or contact me and identify himself as coming from Mr. Green.

Q Did you ever receive a call from someone who identified himself as working for Mr. Green?

A Yes, I did, sir. I received a call, I would

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Mikepaulus 1 say, approximately (witness reviewing notebook) -- I would
2 say it was the 14th of December 1985. I received a call in
3 my room at the air base where I was and the individual that
4 I knew from before identified himself as coming from
5 Mr. Green.

Q Who did you know this individual to be?

A Raphael Quintero.

Q What did the person say to you in the phone
call?

A He identified himself and then he said if I
could arrange the arrival of a Boeing 707 from Europe --
the way he described it was it was bringing heavy stuff,
and if I could keep it in the area of my responsibility. I
said I would check with the local people and to contact me
later. ^gWhich he did, and I was able to get the okay from
our friendlies in the area to go ahead and receive this
aircraft with the heavy stuff we had assumed was military
equipment.

Q Did he ask you to provide a facility to store
the material brought in on it?

A Yes. He asked me if it was possible for me to
store it in the area. It was possible in local facilities

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to store it, which we did.

2

Q When did the aircraft arrive?

3

A The aircraft arrived on the following day, which

4

I believe was on the weekend, a Saturday, and it was a

5

Boeing 707 from Southern Air Transport.

6

Q What did the plane contain?

7

A The plane contained mainly, if I recall

8

correctly, hand grenades, 81 millimeter mortar rounds, 60

9

millimeter mortar rounds, ammunition of different calibers,

10

and perhaps some 40 millimeter rounds. There were several

11

shipments later on. So I am taking all that arrived could

12

have been on that plane. The other three eventually did

13

all arrive with this type of equipment. Some C-4

14

explosives, detonators and primers, etc. It was

15

approximately 88,000 pounds.

16

Q What did you do with the material that was

17

brought in on the plane?

18

A The material that was brought in was stored in a

19

local facility belonging to a local officer of the area.

20

Q Did you meet with Colonel North in December of

21

1985 in Central America?

22

A Yes, sir. Colonel North visited the area where

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I was working on a helicopter program, on December 30, 1985, if I recall correctly.

2

3

Q How did he get to Central America?

4

A He arrived, I believe, in a Jetstar aircraft.

5

Q Who was with him?

6

A My understanding is it was to coordinate the legal humanitarian aid approved by Congress, and aboard that aircraft was [REDACTED]. I had known him before when he was number three man for Ambassador [REDACTED].

10

[REDACTED] There was [REDACTED], who I understand was from the agency. During that meeting were also present the Ambassador [REDACTED] his political officer, if I recall correctly, and [REDACTED]

14

15

[REDACTED] and myself. Probably

16

[REDACTED], but I'm not sure.

17

Q In general terms, what was discussed at that meeting?

18

19

A If I understand correctly, they were having problems with being able to bring in humanitarian aid into [REDACTED] because of some kind of political situation and they thought of the possibility of temporarily using [REDACTED]

22

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2 [REDACTED] to have there the humanitarian aid that was being
3 approved by Congress. They wanted to make sure that
4 nothing was stolen or lost and they had to create a balance
5 and check type of situation on everything that arrived and
6 departed from there.

7 Q Up to that point had any humanitarian aid
8 arrived at your location in Central America?

9 A No, sir.

10 Q At some point after that did humanitarian aid
11 arrive at that location?

12 A Yes, sir. Later on, in the beginning of 1986,
13 there was an L100 from Southern Air that did carry some
14 Butler buildings to be built for this purpose. And also
15 some humanitarian aid, I believe, came along on the same
16 aircraft.

17 Q Was that in January of 1986?

18 A To the best of my recollection, it was January
19 17 when the first flight arrived, and I told you that later
20 on I would provide you with more details.

21 Q During the entire time that you were down there,
22 that being 1985 and 1986, how many flights of humanitarian
aid arrived?

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2 A I cannot really be sure at that time. There
3 were not many. Maybe two, maybe less, maybe three. I will
4 be able to answer that question after I go back to Miami
5 and look at some notes that I may have, to be accurate.

6 Q Where would the humanitarian aid be stored?

7 A It was supposed to be stored in that warehouse
8 that was being built, the Butler buildings.

9 Q During 1985 and 1986 did more lethal aid arrive
10 at your location?

11 A Yes, sir. In 1986 there were several 707s
12 coming from Europe, also for Southern Air, that arrived in
13 the area. At one point two aircraft came in one day after
14 the other, which I believe to be the 25th and 26th of May.
15 It was also military equipment, and approximated between
16 88,000 and 90,000 pounds apiece. Same type of material
17 that I already described before.

18 Q In total, how many flights of lethal aid were
19 brought into your location?

20 A To the best of my recollection, there were
21 somewhere between five, probably six, but not much more
22 than that. I will try to provide more accurate records
later on.

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Q Do you have an estimate of the total number of pounds?

A Yes, sir. The estimate that we believe we had in the warehouse for military aid did not go over 500,000 pounds.

Q Do you recall a meeting again with Colonel North in Central American in April 1986?

A Yes, sir. I recall a meeting with the colonel on April 20, 1986.

Q How did Colonel North get to Central America on that occasion?

A He was using the same aircraft he had used before, the Jetstar, and he arrived the 20th of April into this friendly country, and he was accompanied by retired General Secord, Dick Gadd, all the members of the crew that had been recruited for the resupply operation. There was a meeting held at that location. [REDACTED] from the FDN came to discuss the aid to Nicaraguan freedom fighters.

Q What did you understand General Secord's role to be in this resupply operation?

A General Secord seemed to be the individual in charge of all the operation itself as far as personnel was

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1 Ikepaulus 1 concerned and the logistics in the program. He was the one
2 who controlled the individuals who came on that plane.

3 Q Prior to this meeting had you had any
4 discussions with General Secord over the phone.

5 A Well, I realized later on that I did have a
6 discussion with the general over the telephone over an
7 incident of a mechanic that was brought into the area where
8 I was, a conflicting type of situation.

9 Q Can you describe that incident?

10 A Yes, sir. One day we were called by Mr. Gadd,
11 if I recall correctly. They gave us a name, which I have
12 now forgotten, but I am sure that you have it. It was an
13 individual who was going to be working for us as a mechanic
14 in this project. He arrived. We sent a couple of people
15 to pick him up at the airport. They really could not
16 recognize the individual, so they returned.

17 Later on this individual called from the hotel.
18 When they picked him up they said it was hard to recognize
19 him because he looked pretty old, that he could be going
20 into a nursing home.

21 This individual came to the house that we had
22 provided for him. The first night he drank 24 beers; the

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2 second night he drank 36 beers. He told one of our kickers
3 working in the project that he was told that this was a
4 money-making operation, that he had fixed one plane in
5 [REDACTED] at one time was doing contraband in Mexico for
6 \$5,000 in one night; and he also fixed drug planes in
7 Puerto Rico, from Colombia.

8 At this point I told [REDACTED] who
9 brought me the information, I didn't even want to meet him
10 or have him know what the operation was about, and tried to
11 prepare his return to the United States on the following
12 day.

13 After that I did call Colonel North, to his
14 telephone in the White House. I started explaining to him
15 the circumstances of this individual and my decision to
16 send him back immediately without further explanation what
17 the program was. He said to me here is the man you have to
18 talk to about it, who was in charge of that, if I
19 understand correctly. Or similar words. He put on the
20 phone a man he identified as Dick. At the beginning I
21 thought it was Mr. Gadd, but later on I realized he was
22 General Secord.

I explained the situation to the general in a

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Mikepaulus 1 very strong voice like he has, and he told me he would take
2 care of it. At that point I told him I was sending this
3 individual back to the states, and he agreed to it.

4 Q Did the mechanic end up being sent back to the
5 United States?

6 A Yes, sir, and I don't think he ever knew what
7 the operation was all about.

8 Q Let's go back to the April 20 meeting. What was
9 the purpose of that meeting?

10 A The purpose of that meeting was trying to
11 coordinate with the FDN the support to the north front also
12 and explain to [REDACTED] the use of these aircraft. The FDN
13 was apparently very unhappy with the type of aircraft,
14 because of the poor condition of it and low speed of the
15 aircraft, and also the small capability of carrying
16 equipment in it. They thought it was taking a lot of risk
17 in one of these aircraft to resupply their units. It would
18 carry cargo of probably less than 5,000 pounds, and the 123
19 less than 10,000 pounds in reality when you have to fill
20 them up. He explained his concerned and that the FDN
21 fighters were not willing to fly this type of aircraft.

22 He was told by Colonel North that they had

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2 professional people who had done it very successfully in
3 other parts of the world and they would prove to the FDN
4 that these aircraft were adequate for the job and at the
5 present time there would be a U.S. crew flying them, that
6 there were European crews being prepared to come in and
7 eventually train the Nicaraguan pilots to do the job
8 afterwards.

9 Q When [REDACTED] complained to Colonel North about
10 the condition of the aircraft did Colonel North give an
11 explanation to [REDACTED] as to where the aircraft had come
12 from?

13 A Yes, sir. When [REDACTED] told the colonel why
14 not give him the money to buy more decent aircraft than
15 these Colonel North explained to him there was no money
16 involved in this transaction, that these aircraft were a
17 donation to the freedom fighters, and that if he had the
18 money he would have bought for them a C-130; since he
19 didn't, it is better to have this type of aircraft than
20 nothing, and we will provide whatever he was getting as
21 donations from people.

22 Q Mr. Rodriguez, could you describe what your role
in this resupply operation was in general terms?

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16

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A My main thing, which I self-imposed on myself,

2 in the area was to help the local people with the

3 helicopter concept to eliminate the communist guerillas in

4 the area.

5 Q That was working with the host government; is

6 that right?

7 A Yes, sir.

8 I do strongly support the Nicaraguan freedom

9 fighters after losing my native country to communism, and I

10 was all for supporting Colonel North in the effort to help

11 these people.

12 Q What support did you give to this effort?

13 A Basically, I was the main liaison with the host

14 government in the area and was responsible for getting ID

15 cards on the base to come in and out, and to coordinate the

16 clearance to leave the air base on the missions and back,

17 and the arrival and departure of material in that area.

18 Q At some point did you decide to end your

19 involvement with the resupply effort?

20 A Yes, sir, I did.

21 Q When was that?

22 A That was shortly after this meeting that Colonel

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North came to the area. I hate to say, but I had known a lot of these people who came to be known to me as time went by in this process, and I was not very happy with the caliber of personnel involved in this operation. I felt that the background of these individuals would eventually create a problem not only for the Nicaraguan freedom fighters but for the administration.

Q And that was the reason that you decided to leave the operation?

A Yes, sir.

Q What did you do when you made this decision to leave?

A I went to the host officer that I had originally talked to to help me. I told him that I was tired, that I had been away from my family for over a year, and the program that I was involved in with the helicopters was working properly and I was going to leave.

At that point he told me he felt that my presence in the area was important and that I should stay. I agreed with him that I would return later on and explain to him all of the details if I finally decided to leave the area.

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I went to see the ambassador in the afternoon.

2 He had no idea that I was involved in the military aspect
3 of it. He knew that I had participated in the humanitarian
4 aid program. None of this did I express to the
5 ambassador. I just told him the same thing I told my
6 friend, that I was tired and that I had been away from the
7 family too long and I was going to leave the area, and that
8 I was also tired from begging for airline tickets from a
9 friend of mine to be able to commute back and forth from
10 that area.

11 At that point the ambassador saw that I was
12 doing a good job with the helicopter concept in the area,
13 that I should stay. He asked me to stay. He asked me for
14 my address and telephone number so that we could maintain a
15 personal relationship; that he appreciated it the same as I
16 did.

17 I also told him that I was planning to come to
18 Washington soon to visit the vice president. I had
19 requested the meeting in order to brief him on what I done
20 in a little bit over a year in the area, my results with
21 the helicopter concept, and also explain to the vice
22 president the reason I was going to leave the area.

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Q Did that meeting with the vice president take place?

A Yes, sir. That meeting took place on May 1, 1986.

Q Before that meeting you met with Colonel North, correct?

A Yes, sir, I did.

Q Could you describe what happened in your meeting with Colonel North?

A Yes, sir. I asked to be cleared into the White House a little bit earlier. I basically told him the same thing I had said before. I explained to the colonel that I was tired, that I wanted to leave, and that I was planning to leave at that point in time to express it to the vice president. He told me that my help was very needed and useful in this program and that he knew that all soldiers get tired and I should consider staying; to go ahead and take two weeks vacation but stay in the program. Which I did not agree with, and I said I was still leaving.

At that point I left, because my time was getting close to my meeting with the vice president. I came down to the second floor. At the time, if I recall

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correctly, the vice president was acting president since President Reagan was in Japan or somewhere.

So we went to the other side of the White House, Mr. Gregg, Sam Watson, his assistant, and myself, and we met the vice president, who was with Nick Brady, former senator. He told me he wanted the senator to stay since he was very much interested in Central America and had been on the Kissinger Commission.

So we had the meeting from approximately 11:30 in the morning until 12:00 noon.

Q In that meeting did you describe what you had done in implementing your helicopter concept?

A I explained to the vice president from the beginning of my arrival in the area the problem I confronted in establishing my concept until I had the good luck of capturing [REDACTED] and from then on I had a lot of support from the local individuals. I explained to him the statistics that I had been given on the reduction of the guerillas since I had been in the area and how good the concept was going.

I also brought an album with pictures on the concept that I was doing with helicopters, etc.

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2 In the middle of that meeting one of his aides
3 came in and requested that [REDACTED] wanted to step
4 in for a moment to say hello. The vice president said that
5 he was already late for another appointment, but this
6 individual insisted. So he said only for a short time.

7 The Ambassador came in accompanied by Colonel North.
8 Colonel North stayed in the background. The ambassador
9 said hello to all of us and then asked the vice president
10 to use his influence in getting me to stay [REDACTED]
11 He explained to the vice president he was very happy with
12 what I had done there, and as long he was ambassador [REDACTED]
13 [REDACTED] for me to stay in there and continue to help.

14 Q Had you told the vice president that you were
15 planning to leave at that point?

16 A No, sir, I didn't. So I really believe that the
17 vice president didn't know what the hell he was talking
18 about. I guess we all have feelings, and I, of course,
19 felt good that the ambassador would do that, and I made the
20 mistake of not following through with my decision.

21 I didn't mention anything to the vice
22 president. I want to make sure to stress that at no point
in time did I mention to the vice president anything else

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that I was involved in.

2

Q- You didn't tell him anything about your efforts

3

with the resupply?

4

A Not to him. Only a member of his staff.

5

Q So you decided at that point that you would

6

continue to work in Central America?

7

A Yes, sir. I figured out that eventually the

8

agency would take over this project and the best thing that

9

could happen is that it would be gone and the agency would

10

take care of the operation and that would be the end of

11

this program.

12

Q So you returned to Central America and continued

13

to work with both the host government in implementing your

14

helicopter concept and with the resupply operation as a

15

liaison to the host government; is that right?

16

A Yes, sir, I did.

17

Q Did you attend a meeting in the Old Executive

18

Office Building with Colonel North in June 1986?

19

A Yes, sir, I did. June 25, 1986.

20

Q How did that meeting come about?

21

A I was called in the area where I was in Central

22

American on June 23rd by Mr. Quintero, and he told me they

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23

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2 were reorganizing the whole program and they wanted me to
3 go up to Washington on the 25th for a consultation with
4 Colonel North and Mr. Dutton.

5 Q Did he tell you why they were reorganizing the
6 program?

7 A He just mentioned they were reorganizing the
8 whole thing. He didn't quite go into detail.

9 Q What happened when you got to Washington?

10 A I talked to Mr. Dutton on the 24th, in the
11 evening, and we agreed to meet at the Marriott Hotel on the
12 25th, about 11:30, if I recall correctly. We had the
13 meeting with Colonel North from 12:00 noon in the White
14 House. So we went to the White House.

15 On my way there I was curious to find out from
16 him who actually brought him aboard this program, so I
17 asked him before we got into the White House door. He told
18 me that it was General Secord.

19 He was cleared immediately and mine was
20 delayed. I don't know if it was done purposely or not.

21 Q That is, your clearance to get into the Old
22 Executive Office Building?

A Yes, sir.

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24

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2 I also had requested a clearance, since I was in
3 Washington, to go into the White House at 1:30 in the
4 afternoon in order to be able to pick up some pictures that
5 were taken on May 20th between a general friend of mine and
6 his wife with the vice president. They asked me to come
7 around at that time. So I called my friends up there to
8 get me cleared since my clearance was being delayed already
9 for about 10 or 15 minutes.

10 So I went with Mr. Dutton to the third floor, to
11 a new office that I didn't know, that Colonel North had
12 moved into. And that's where we had the meeting.

13 Q What happened at the meeting?

14 A When we first came in Mr. Dutton gave me the
15 pamphlet or paper that he had done with the organization of
16 the program.

17 Q Can you describe what was on that piece of
18 paper?

19 A It was sort of a nice organization of the whole
20 resupply network with names and coordinators and
21 supervisors. It looked very organized. And my role in
22 that was a liaison between his group and the host
government in the area.

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Q This was a diagram of the structure of the operation; is that right?

A A diagram of responsibility for every post.

Q And you were listed as the liaison to the host government on that diagram?

A Yes, sir.

Q What did you do when you were presented with the diagram?

A I smiled and I gave it back to him.

Q What was your reaction when you saw what they had envisioned for you on this diagram?

A Not much. My speculation was that they thought the Congress was going to approve the aid to the Nicaraguan freedom fighters and they were preparing a schematic for an operation running and going and trying to get a contract from the Central Intelligence Agency to provide part of the resupply to the Nicaraguan freedom fighters.

Q Had you heard any discussion among the employees of the private benefactors about the possibility that the CIA would contract out this service to this organization?

A Yes, sir. Most of the pilots were very confident that they would get the contract to continue with

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26

1 the program if the Congress approved -- like it did -- the
2 aid to the Nicaraguan freedom fighters.

3 Q What happened next in that meeting?

4 A We went into a meeting between Mr. Dutton,
5 Colonel North and myself. Colonel North started by telling
6 me -- he referred to Mr. Dutton as Bob -- "Bob here has
7 told me that you have been very helpful to the crews down
8 there and the pilots have suggested that you become part of
9 this organization. So we have suggested that in your role
10 as liaison you be paid \$3,000 a month." To which I
11 explained to the colonel that I was retired and I was not
12 able to receive a salary per se. Only operations
13 expenses.

14 He also told me right after that that he wasn't
15 too sure that could be done, even me being the liaison,
16 because he had information that I was a security risk, that
17 I used to talk too much over the telephone, on open lines,
18 and also on an amateur radio that I had in my area in
19 Central America.

20 Q What did you tell him when he told you you were
21 a security risk?

22 A If you will excuse my wording, sir, I told him

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27

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2 that if he thought I was a security risk he can stick this
3 goddam operation -- fuck it. I didn't want a goddam thing
4 to do with. And I asked him to show me where I had been a
5 security risk in all of this. He explained to me that the
6 Freedom of Information Act prohibits people from releasing
7 names, etc. So I asked him how he learned about it. He
8 said, well, there is only one American in the area who
9 talks over the telephone that we know of and who has an
10 amateur radio.

11 To that I told the colonel that I would sign to
12 him a release from the CIA, from the FBI, from the National
13 Security Agency, and the National Security Council where
14 they will have access, and even if they want to publish in
15 the past, in the present and in the future any
16 conversations I might have had over the telephone or any
17 other means that would prove I have been a security risk or
18 put in jeopardy any operations I have participated in.

19 To that he lowered his face and he made some
20 notes, and he didn't mention about that anymore.

21 Q What happened then?

22 A During the conversation Mr. Dutton mentioned
that he had \$1.5 million with which he had to buy one

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2 aircraft. We had to be careful not to spend too much
3 money, because the money would also have to take care of
4 all the maintenance for one year of the program, and
5 salaries and all expenditures to run the program for one
6 year.

7 At one point in time I told the colonel that I
8 wanted to talk to him alone. He was looking at the
9 hearings that were taking place that day. Actually, my
10 understanding is during that day eventually the aid to the
11 Nicaraguan freedom fighters was approved by Congress, the
12 \$100 million. He looked at the TV and he said "Those
13 people want to get me, but they cannot, because the Old Man
14 loves my ass."

15 Q When he pointed to the TV set Congress was on
16 the TV?

17 A Yes, sir. They were discussing the Nicaraguan
18 freedom fighters aid.

19 I told him I wanted to talk him privately. I
20 had learned through other sources -- I don't know whether
21 it was true or not, but I had reason to believe it could
22 have been true -- that a boat had arrived in [REDACTED]
before that and that the manifest was retrieved by the

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29

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2 [REDACTED] and they claimed there were hand
3 grenades in there for the Nicaraguan freedom fighters that
4 were bought at \$3.00 apiece and being sold to them at \$9.00
5 apiece. The gentleman who was supposed to receive the
6 money for that was Tom Kline.

7 At that point I sort of recognized the part of
8 the old group of Mr. Wilson, with whom I used to friends
9 many years before. I had separated for ideological reasons
10 in 1979. I explained that to Colonel North. I actually
11 told him when we were alone, "Look, colonel, you will never
12 find any guy more dedicated or honest than I am in this,
13 but there are people stealing here. My understanding is
14 there are hand grenades being bought at \$3.00 apiece and
15 sold for \$9.00, and it amounts to 100,000 hand grenades.
16 This is going to be worse than Watergate and is going to
17 destroy the President of the United States."

18 To that, he told me it was not true, that Mr.
19 Kline was a patriot, that he was not buying any type of
20 equipment; they were all donations, and he didn't touch any
21 money in that.

22 I also explained the age of some of the 81
millimeter rounds that were built in 1952 or 1954. They

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'kepaulus 1 were very old. He told me that when they were a donation
2 he could not control the age of it.

3 He also explained to me if I said this to
4 anybody they would deny it, that he did carry a letter from
5 the President of the United States to the Government of
6 [REDACTED] where he requested the rate, and all of these
7 materials from [REDACTED] are a donation and we didn't pay a
8 cent for it. Since I have been told by a lot other people
9 that we were buying the equipment, at that point I decided
10 I better terminate the conversation, which I did.

11 Q At some point during that meeting did you
12 discuss a letter that you had brought with you concerning
13 the condition of the aircraft?

14 A Yes, sir. There was an incident with one
15 C-123. Almost everybody got killed because of poor
16 navigational equipment. They were off ten miles south in
17 [REDACTED] territory going toward a mission and they hit
18 the top of a mountain. They actually had wood inside one
19 of the engines, which was completely destroyed, and there
20 was damage to the bottom of the 123 aircraft.

21 Right after that Copilot [REDACTED] wrote a very
22 emotional letter explaining all the problems with the

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31

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2 aircraft and the special situation of why he got involved
3 in that operation, by pride, but it would never happen
4 again. It was a very emotional letter that I got a hold
5 of, and I gave it to the colonel.

6 Q Was Mr. Dutton in the room when you gave the
7 letter to Colonel North?

8 A Yes, sir, he was. When the colonel was reading
9 the letter he looked at me and said, "This is a joke." I
10 said, "No, sir. I don't think it is a joke when almost all
11 of those people got killed the day before they wrote that
12 letter."

13 He showed the letter to Mr. Dutton and asked him
14 if he knew anything about it. Mr. Dutton told him that,
15 yes, he knew but he didn't feel it was important to bring
16 it to his attention.

17 Colonel North told him that this type of
18 situation if given to the press would create a helluva
19 problem for the program, to which Mr. Dutton answered that
20 [REDACTED] who was the one who wrote the letter, had been
21 promoted to chief of maintenance for the program and his
22 salary had been increased tremendously starting the next
month and he would not pose a problem.

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Q Mr. Rodriguez, at some point in August you used a plane to fly from Miami to Central America and as a result of that flight you were accused of air piracy. Can you explain that incident for us?

A I'll try, sir. Just before the last part of July or the very beginning of August I had [REDACTED] friend of mine who stayed at my house who wanted me to stop by to say hello. So I took the opportunity that a friend of mine was flying on a private aircraft from where I was to Miami. I had the understanding from the pilot that was in this operation that a C-123 was being prepared to return to the area where I was.

Q This was one of the private benefactor 123s?

A Yes, a 123 that was stationed at Southern Air Transport.

So I flew to the Miami area and spent some time with my family and [REDACTED] I discussed on that weekend with Mr. Quintero that I was planning to fly this aircraft back to where I was. I believe it was on the 4th of August.

Mr. Quintero explained to me that there were some medicines for mountain leprosy that had to be waited

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33

1 upon to be flown into our area. It was meant for the
2 Nicaraguan freedom fighters.

3 My understanding from previous conversations was
4 this was just a big box and that it could have been sent
5 locally, and to me it was big waste to hold a C-123 loaded
6 with spare parts that were badly needed down there, and the
7 expenditure of the crews and the hotel just for that box.
8 I explained that to Mr. Quintero. Mr. Quintero told me it
9 was not just a case of a box, but that it was a half plane
10 full of medicines.

11 At that point I called Mr. Gene Stevenson from
12 Southern Air and explained to him the situation. He told
13 me that they had enough spare parts, or close to enough
14 spare parts, to fill a C-130 to our area. He said he would
15 consult with Mr. Langton from Southern Air. He thought it
16 was more convenient to go ahead and make the flight that we
17 already had programmed with equipment on it, and when this
18 medicine arrived it would be cheaper for the program to
19 lease a C-130 from Southern Air and fly the rest of the
20 maintenance equipment that we had waiting there plus the
21 medicines into our area.

22 So I asked him to make sure to clear it, and he

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34

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did.

2 So we did depart on the 4th of August for my
3 area. When we landed there seven hours later, which it
4 would take that piece of junk to get there, I was told sort
5 of in a joking way that Mr. Quintero had called and said,
6 "Do you know what Max did? That man has stolen a goddam
7 aircraft." We were laughing, because the pilot said, "We
8 didn't steal anything. It was all authorized and
9 everything."

10 So the instruction that he gave to the people
11 down there was not to unload the aircraft but to refuel it
12 and just take personal things out and fly it right back to
13 Miami the following day.

14 Since all the equipment that was on board was
15 strictly spare parts for the aircraft that we had in that
16 area, I gave instruction to go ahead and unload the
17 aircraft.

18 That evening I had dinner with my friend at his
19 home. Mr. Quintero called. He said the airplane was ready
20 to return and he was told that it was unloaded on my
21 instruction, and he asked to talk to me.

22 When he talked to me he told me in Spanish, "Are

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35

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'kepaulus 1 you with me or are you against me?" So I explained the
2 best I could. I said, "Look, this is not a situation of
3 being for or against anybody. The spare parts are needed
4 badly here, and we unloaded. Unless you are telling me the
5 whole program is finished."

6 So he told me that is exactly what happened.
7 "The whole program has been terminated. I will be down
8 there in three days to close all the houses. You tell all
9 the pilots and the personnel there that they don't have the
10 blessing from anybody from up here, that if they do touch
11 or fly any of those aircraft it will be without our
12 authority, that there will be no payment for them, no
13 insurance for them, no gas or any more money at all, and
14 they will be on their own."

15 Q This is a call from Raphael Quintero, correct?

16 A Yes, sir.

17 I felt very strongly in support of these people
18 which are inside Nicaragua. I contacted [REDACTED] who
19 I trust, one of the kickers in the program. I asked him if
20 he could find me a crew that will fly for free. I
21 explained to him the circumstances. He said he personally
22 would do it; he would check with others and let me know.

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2 He called me later. He said, "I have found Mr.
3 Bob Sawyer" -- who was later killed in the 123 -- "who will
4 do it for free, and also [REDACTED]."

5 So I could count on this crew to be able to
6 continue to resupply these people. My purpose was to be
7 able to maintain the supply to them until the agency was in
8 a position to continue the aid to the Nicaraguan freedom
9 fighters.

10 I contacted my local friend who was in charge of
11 the base. I explained to him the circumstances that we
12 were going through and asked him if he would provide the
13 fuel from his end to be able to maintain this operation.
14 This gentleman, who feels very strongly for the Nicaraguan
15 freedom fighters because he sees very clearly it is in the
16 best interest of his country, agreed to continue the supply
17 of fuel on his own.

18 At that point [REDACTED] told me that he
19 believed that if I did talk to the people most of them
20 would cooperate and fly on this mission. They were not
21 mercenaries. They needed money, but they respected and
22 supported the program.

So I called a meeting. I don't know whether it

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37

1 Kepaulus 1 was the same night or the following night or later, but I
2 did hold a meeting and expressed what I had been told to
3 them so they were very clear that they no longer had the
4 blessing from their group, from their people, that the
5 operation, as far as I was told, was terminated, the house
6 was going to be closed, and that they would have no
7 salaries or no insurance policy for their families, and it
8 would be their responsibility if they flew any of those
9 planes.

10 I explained to them as best I could that I had
11 lost my native country to communism, and I knew what it
12 meant for these people to be down there without any
13 supplies for an extensive period of time until the agency
14 could take over the program.

15 I realized that they needed money for their
16 families to live on, but if any of them could afford a
17 month or two in this program it would be greatly
18 appreciated by a helluva lot of people.

19 Cooper was present, Hasenfus was present, and a
20 lot of the other pilots, and they all agreed that they
21 would continue to fly the operation for free.

22 So I asked my friend to contact Mr. Quintero and

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2 explain to him that if he wanted to call that was fine, but
3 he would not be closing any base at this point in time,
4 that their group was willing to fly this mission for free
5 and I had been able to find the fuel to continue the
6 operation until the agency could take over.

7 Q At some point did you receive a telephone call
8 from Don Gregg?

9 A Yes, sir. I also had the understanding that
10 somebody else received a call down there and was told that
11 I had stolen the aircraft. And there was also a pending
12 suit by the owners of the aircraft. It was not quite clear
13 whether it was against me or the local people there.

14 So I received a phone call from Mr. Gregg in my
15 room. Mr. Gregg had been away during all of this time with
16 the vice president outside of the United States. I think
17 he was just approached upon his return. He told me on the
18 telephone, he said, "Felix, do you know anything about a
19 stolen aircraft and a suit?" I said, "Don, I have a
20 general idea."

21 He said, "Ollie has approached me. He said
22 there is a stolen aircraft down there. That could be very
23 embarrassing to the government." He didn't explain any

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39

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2 details. He said, "You could be instrumental and help in
3 getting the aircraft released and it would be a great help
4 for the U.S. Government."

5 My understanding at the time was, and I still
6 believe, he had no idea what he was talking about. He was
7 just being used to use his influence and friendship with me
8 to release this aircraft.

9 I discussed this with another friend locally
10 that had also been called about getting the aircraft
11 released. My idea at that point in time was that these
12 people probably learned that they were not going to get the
13 contract with the agency and they were just trying to move
14 out everything they had. It infuriated me quite a bit. I
15 explained to my friend, I said, "Look, there is no way I am
16 going to go to my friend here to release his aircraft for
17 these son of a bitches to steal another aircraft that might
18 be worth a half a million dollars.

19 So I did approach my friend. I said, "Look, we
20 have been doing this without charging anything to these
21 people because we believe in this cause. They might have a
22 legal way to retrieve this aircraft." Because they had it
registered, I was told, in Panama. "But if that is the

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40

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Dikepaulus 1 case, you have been providing space and support totally for
2 free because you believe in it, and if they want to take it
3 out legally, and they do have the means to do it, go ahead
4 and charge them for landing fees, guarding the aircraft,
5 painting the aircraft, loading and unloading the aircraft.
6 There's a substantial amount of money that we can use to
7 buy a decent aircraft for the Nicaraguan freedom
8 fighters." To which he agreed, and he gave me permission
9 to go ahead and use his name in this proposal.

10 Q This is a discussion with your friend in the
11 host government?

12 A Yes, sir.

13 Q What did you do after you got the call from Don
14 Gregg?

15 A I also considered in my mind that the aid to the
16 Nicaraguan freedom fighters was already approved by
17 Congress and it would not be appropriate at this time for
18 me to approach Mr. Gregg and explain to him the situation
19 of these things. I was concerned that part of the program
20 could be taken to this group of people which I didn't
21 consider that well intentioned. So I decided to go to
22 Washington and explain to Don my concern about the

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41

1 possibility of these people getting part of the contract
2 with the agency, and also a situation that could be very
3 embarrassing for everybody, and I was pretty sure that he
4 didn't know anything about it.

5 So I called him over the telephone.

6 Q Let me stop you. You were concerned that these
7 people might get the agency contract and you didn't think
8 that they were the right people to have the contract; is
9 that what you just said?

10 A Yes, sir.

11 Q You were also concerned that these people might
12 pull the aircraft out before the CIA could get back into
13 funding the operation and therefore the contras would be
14 without a logistics system to resupply them until the CIA
15 got back in; is that right?

16 A That's absolutely correct.

17 Q Tell me what you did.

18 A So I asked Don if I could meet with him at the
19 White House. This was, I believe, a Wednesday, So I could
20 fly on a Thursday all the way to Washington and meet him on
21 Friday. He agreed and said he would clear me into the
22 White House at 9:30. So I flew into Washington.

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42

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Q What day is this?

2 A I was to arrive and talk to him August 8, 1986.

3 Q What happened when you got there?

4 A I went to his office in the White House. He was
5 there. I don't know if Mr. Watson was there at the very
6 beginning. He later was. I started with telling Don that
7 I wished I never had to come to him under these
8 circumstances to explain this, but that I had learned of
9 this operation down there where Colonel North was involved
10 and he was using people that if known by the press, because
11 of their past background, with Wilson, etc., it could be
12 very embarrassing to the administration and everybody.

13 I also explained the condition of the aircraft
14 to him and explained my concern about possible corruption
15 in the program since I had been told, even though I didn't
16 have any concrete proof it, that hand grenades were being
17 bought at \$3.00 apiece and sold to the contras for \$9.00
18 apiece.

19 To that he was extremely upset. He picked up
20 the phone, even though I asked him not to, to bear with me
21 and not tell anybody. But he picked up the phone and
22 called upstairs to North's office. He was not there, but I

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2 understand that he did talk to Bob Earl. He started
3 telling him, "My friend Felix is here and what he is
4 telling me is outrageous. You should come down here and
5 hear what he has to say. He has mentioned the name of Tom
6 Kline, and goddamit, he's a darn snake. He doesn't have to
7 tell me anything about who he is."

8 He didn't want to come, but eventually Mr. Earl
9 came down. He tried to appease everybody, that it was best
10 to not really create a problem at this point in time.

11 Q Did you explain to Mr. Gregg about how you had
12 been brought into this operation?

13 A No, sir, not at this time. I explained to him
14 the problem that was going on down there and that I had
15 become aware of it.

16 Q Do you recall telling him about the conversation
17 you had with Raphael Quintero where he said he was working
18 with Mr. Green?

19 A I don't recall if I did or not. I might have.
20 It was a long conversation and it was a long time ago.

21 Q Did you tell him that Ollie North was associated
22 with this Wilson group and that that is what concerned you?

A Yes, sir. I am sure that he was also aware of

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44

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the individuals. Not that they were with him, but he knew the individuals by name and their reputations.

Q Did you mention Secord's name in the meeting?

A Yes, sir.

Q Did Mr. Gregg appear to recognize who Secord was?

A I just went on with all the names. The one that he made the most out of was Kline when he was mentioned.

Q So you mentioned Kline and Secord. Did you mention Quintero also?

A Yes, I did, sir.

Q He at least appeared to recognize Tom Kline immediately as somebody that the government shouldn't be dealing with; is that right?

A Absolutely.

Q Do you remember whether you mentioned Mr. Gadd's name in that meeting?

A Yes, I did. I think I mentioned Mr. Gadd in an incident that I heard from Mr. Quintero, saying that two guys were working, who I never met but only heard by name, on the runway in [REDACTED]. One was actually making a \$100 a day and the other was making \$150 a day and Mr. Gadd

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45

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2 was charging them \$400 a day for one and \$450 a day for the
3 other. It was a substantial profit to him or whoever for a
4 considerable period of months.

5 Q So you told Mr. Gregg that Gadd was overcharging
6 for these employees that were working at the airstrip in
7 [REDACTED]

8 A Yes, sir.

9 Q Did you mention Mr. Dutton's name in that
10 meeting?

11 A I probably did, but I really can't be specific.
12 I cannot recall whether I did or not.

13 Q How long did you meet with Mr. Gregg before
14 Mr. Earl was called on the phone?

15 A As soon as I started reporting the names to him
16 he almost immediately picked up the phone to call Mr. Earl,
17 but he didn't come down until a considerable time later.

18 Q Before he called Earl did you tell him what this
19 was with the private benefactor resupply operation?

20 A I really don't know exactly how I put it. My
21 main concern was that they would not get a contract.

22 Q You were concerned that they not get the CIA
contract to supply the contras; is that right?

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46

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A Basically, yes. If the press got a hold of it, with the reputation that these people had, it would be a disaster for the national security adviser to the president to have people who had connection in the past and being publicly exposed in problems with Qaddafi and Wilson, etc.

Q Did you tell Mr. Gregg that in that meeting on August 8?

A I think I mentioned it. Yes, sir.

Q What did Don Gregg say to Earl on the telephone?

A Basically what I told you at the very beginning. He said that he had heard this thing from "my friend Felix, and he mentioned Mr. Kline's name," and he could not figure out how they could use people like that and he wanted him to come down to listen to my story.

Q Did Mr. Earl come down to Mr. Gregg's office?

A He eventually came.

Q What happened then?

A I gave him part of my concern, and he just tried to appease me. He didn't make much recommendation one way or the other. Just to be calm, take it easy. He didn't say much more than that, if I recall. All those things I don't recall at this time.

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Mikepaulus 1 Q Was the problem resolved at that meeting?

2 A I later learned that Mr. Gregg called a meeting
3 to pass my concerns to other people. If I recall
4 correctly, after what I read, he called a representative
5 from the State Department, from the agency and the NSA^C to
6 express my concerns about the whole program so that they
7 would take appropriate action. I don't think he believed
8 that the Office of the Vice President would get involved in
9 something like this, but that he should pass it on to
10 people who could do something about it that would be
11 involved in this program. But he was not.

12 Q After this meeting did you return to Central
13 America?

14 A Yes, sir, I did.

15 Q What happened with the private benefactor
16 resupply effort after that meeting?

17 A After they reconsidered the situation they did
18 send a message down there that the owners of the aircraft,
19 the way they put it, were willing to continue the effort of
20 resupply until the agency would take over the program but
21 to be very clear that the aircraft did not belong to the
22 Nicaraguan freedom fighters, that they belonged to a

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48

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private company, and as soon as the agency took it over they were going to pull every single aircraft out with them.

Q Did resupply flights continue after that point?

A Yes, sir, but it did continue with a Nicaraguan guard on board to make sure the aircraft were not stolen. That was the young guy that got killed on the October 123 crash.

Q He was on those flights to make sure that the pilots didn't take the aircraft away, is that right?

A Absolutely.

Q Where were you when the ~~Hosenfus~~ plane went down?

A I was in Miami.

Q How did you learn about the crash?

A My friend, [REDACTED] from the area where these flights were being staged called me over the telephone and told me that the flight was overdue in returning. We had pretty well timed how much fuel they had and how long they could have stayed in the air. I asked him to make sure. It was a different area and a possibility that they could land on an emergency basis, and

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49

'kepaulus 1 if he found out it wasn't that way, try to start a search
2 over the ocean area.

3 I felt that this was the beginning of a big
4 problem. Since I was not on talking terms anymore with the
5 colonel, I felt that somebody in Washington should know of
6 this incident. So I called Sam Watson. I had not
7 discussed this with him before. I just told him that it
8 was my understanding that a Nicaraguan resupply plane was
9 lost and had either gone down in the ocean or probably shot
10 down in Nicaragua.

11 I later learned through the press that he did
12 pass this information to the National Security Agency and
13 the White House situation room.

14 On the following morning we heard over the
15 Havana radio that the plane was shot down inside Nicaragua
16 and there was one prisoner. So I called him again to pass
17 this information to him.

18 Q When did you return to the Central American
19 country after the ^aHäsenfus incident?

20 A After that I didn't return until February 11,
21 1987.

22 Q The resupply operation completely ceased at that

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50

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point; is that right?

2 A Yes, sir. After the ^aHosenfus crash the
3 operation completely ceased. I don't know what happened to
4 the owners of the aircraft who so badly wanted the
5 aircraft. The aircraft that was in Southern Air was asked
6 to be flown immediately into Central America, and if I
7 understand correctly, it was flown into [REDACTED] with no
8 authority [REDACTED]. Apparently the owner
9 wanted to get rid of it as soon as possible, and it was
10 confiscated [REDACTED]

11 Q Mr. Rodriguez, the last thing I want to ask you
12 about is payments that you received from this resupply
13 group. Can you tell me what money you received from them?

14 A I was in [REDACTED] with no pay from anybody.
15 Soon after the arrival of Mr. Quintero he came to us and
16 said that there was an operational fund for [REDACTED]
17 myself and himself of \$1,000 per month to be used
18 operationally for us, for food and expenses or bringing
19 people to dinner, etc. So we took that during that time as
20 an operational expense.

21 So after I returned the offer was made to me to
22 be part of the resupply effort. I forgot to mention that

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51

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'kepaulus 1 during that meeting with Colonel North and Mr. Dutton in
2 the White House after a while Colonel North told me he
3 wanted me to sign a contract with Mr. Dutton to that
4 effect. He asked me why I didn't want to be part of the
5 organization. I told him I had done it so far and I didn't
6 need to be paid for it. He told me that I have to think of
7 my family. Which didn't make me feel any better, because
8 nobody had worried about my family before. He told me to
9 get together with Bob and write my own contract, but please
10 sign a contract with him. Which I did not.

11 When I went back to Central America my friend
12 [REDACTED] came to me and said, "Look, Mr. Cooper has received
13 a specific instruction from Mr. Dutton not to pay you
14 anything because you are not part of the organization, but
15 Cooper insists that you were very, very helpful, and he
16 wants to pay you the \$3,000 a month."

17 I told him, "Look, I cannot receive it. I don't
18 want the money. I don't need it here."

19 [REDACTED] told me, "Look, if you don't take it,
20 it will be another \$3,000 these guys are going to be
21 making."

22 So at that point he convinced me on that basis.

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2 So instead of getting my friends from Miami to support my
3 trips in here and back and forth to Miami, and my food
4 expenses, which I never received any amount of money or
5 other support from the local [REDACTED] I did receive the
6 \$3,000. I want to state that I did not sign the receipt.
7 [REDACTED] signed the receipt for me. So legally if I
8 wanted to claim that I did not receive any money they could
9 not prove it, because the receipt is not signed by me. But
10 I did receive the money. I acknowledge it here
11 officially. There is no way I'm going to lie here or any
12 other statement.

13 Q So you received \$1,000 a month from
14 approximately January until June and then in June, July --

15 A It wasn't effective until the following month,
16 after the meeting in the White House.

17 Q So it would be in July, August, September that
18 you received \$3,000?

19 A Yes, and probably October.

20 Q Then after the ⁰Häsenfus plane went down --

21 A After the ^aHäsenfus plane, I received, which I
22 did not sign a receipt for, \$2,000 from Mr. Quintero for my
expenses to leave the house. Since the press was sort of

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2 hanging around my house all the time, I took the family to
3 the Keys for the weekend and stayed out of my house for
4 over three weeks. He suggested that I leave the country,
5 but I did not. I just stayed in the Florida area.

6 Q That is all the money that you received from
7 this operation, correct?

8 A Yes, sir. I handled the money on the fuel
9 account. I felt it was important to keep a record of it,
10 but it was in my hands never more than a few hours. I
11 guess one time 24 hours. When I received it I turned it
12 over to the local friends and received a receipt from them
13 and kept very clear records of dates, aircraft, gallons,
14 price per gallon. You have a copy of all of that.

15 Q You have given us a copy of all those receipts
16 and your records for the fuel expenditures; correct?

17 A Yes, sir, I have.

18 MR. BARBADORO: That's all I have. Thank you
19 very much, Mr. Rodriguez.

20 THE WITNESS: You're welcome, sir.

21 (Whereupon at 11:35 a.m. the deposition was
22 concluded.)

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

I, Michael G. Paulus, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of the action.



Notary Public in and for the
District of Columbia

My Commission Expires
February 29, 1992

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HSI TS-78/87

DEPOSITION OF DAVID ROSEMAN

Wednesday, June 10, 1987

U.S. House of Representatives,
Select Committee to Investigate Covert
Arms Transactions with Iran,
Washington, D. C.

The committee met, pursuant to notice, at 1:00 p.m.,
in Room B-352, Rayburn House Office Building, with Patrick
Carome, Staff Counsel, presiding.

On behalf of the House Select Committee: Patrick
Carome and Bruce Fein.

On behalf of the Senate Select Committee: Timothy
Woodcock.

On behalf of the Witness: Kathleen A. McGinn,
Assistant General Counsel, Office of General Counsel,
Central Intelligence Agency.

Partially Declassified/Released on 21 DEC 87
under provisions of E.O. 12958
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1 MR. CAROME: If we could have the Notary please swear
2 in the witness, and if you could state your name for the
3 record on the record.

4 MR. MALLON: I am a Notary for the District of Columbia.
5 My name is Charles Mallon.

6 Whereupon,

7 DAVID ROSEMAN,
8 having been duly sworn, was examined and testified as
9 follows:

10 EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

11 BY MR. CAROME:

12 Q Would you please state your name for the record?

13 A Yes. My name is David Roseman.

14 Q And what is your current occupation?

15 A I am an attorney with the Central Intelligence
16 Agency and I serve as Chief of the Intelligence Law Division
17 at the Agency

18 Q And how long have you been Chief of the
19 Intelligence Law Division?

20 A For a little more than one year.

21 Q You started in that position when?

22 A Approximately April of '86.

23 Q Why don't you just briefly tell me your
24 educational background, starting with college, and the
25 positions which you've held since graduating?

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1 A Certainly. I graduated from George Washington
2 University in 1970, and graduated from Georgetown University
3 Law School in 1973. I took the bar in 1973 in the State of
4 Maine and became a member of the bar, in Maine, in 1973,
5 and I began my legal career as an Assistant Attorney General
6 for the State of Maine.

7 I was in that position until 1980 when I got my
8 position with the Office of General Counsel at CIA. I
9 started at CIA as a position as a generalist, meaning that
10 I received assignments from a number of different divisions,
11 and within a year I was assigned to the Intelligence Law
12 Division and was subsequently named Deputy Chief of the
13 Intelligence Law Division.

14 Q And what time did you first become a lawyer in
15 the Intelligence Law Division?

16 A That would probably have been in 19 -- well, it
17 was within a year of my entering on duty with the Agency,
18 which was, I entered on duty in July of 1980, so it would
19 have been some time I think in 1981 that I began to work with
20 the Intelligence Law Division.

21 Q And your first position in that division was
22 what?

23 A I, at that time there was a Chief of the division
24 and I was -- I simply served as his assistant, and to the
25 extent that there was additional work, which there always

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1 was, above and beyond what we could handle, it was assigned
2 out to other attorneys who were considered to be generalists.

3 Q Okay. And in or around the time of November
4 1985 what position were you holding?

5 A November 1985, I would have been the Deputy
6 Chief for the Law Division.

7 Q And is that the same for the period in or around
8 January 1986?

9 A Yes, that's correct.

10 Q And what were your general duties in that
11 position?

12 A My duties as Deputy Chief -- well, let me
13 describe first what the -- the overall responsibilities of
14 the division.

15 The division has primary responsibility for
16 handling questions relating to Executive Order 12333, which
17 deals in large part with collection of ~~information~~ and
18 retention and dissemination of information on U.S. persons,
19 and it also contains guidelines on the limited Agency
20 activities within the United States. These are guidelines
21 under Attorney General approved procedures. That's the
22 primary role of the division.

23 The division also handles questions involving
24 the Intelligence Oversight Board.

25 As Deputy Chief of the division, of course, I

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1 received my assignments principally from the Division Chief,
2 whose name is Bernie Makowka; and in Bernie's absence, I
3 would serve as Acting Chief.

4 Q Okay.

5 MR. CAROME: It occurs to me that there is a
6 brief introduction I should have probably given at the start
7 of the deposition which I might as well do now.

8 Just for the record, my name is Patrick Carome.
9 I'm Staff Counsel for the House Select Committee to
10 Investigate Covert Arms Transactions with Iran. It is
11 possible that a staff counsel to the parallel Senate
12 committee is going to be joining us in this deposition
13 midway through.

14 Both of the committees were established pursuant
15 to resolutions and have various enacting roles. The Central
16 Intelligence Agency has previously been provided with copies
17 of our resolution and rules; and, just for the record, I
18 have earlier, before we started today, have provided you
19 with copies of both of those things.

20 The mandate of the House committee is to
21 investigate the circumstances surrounding the Iran affair
22 and also the U.S. involvement with the contras, and this
23 deposition is being conducted pursuant to those rules.

24 BY MR. CAROME:

25 Q Turning now more to the substantive matters that

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1 I want to cover, when was the first time -- strike that.

2 The Intelligence Law Division is not normally
3 involved in the preparation of covert action findings; is
4 that right?

5 A That's correct.

6 MR. CAROME: The record should reflect that we
7 have just been joined by Bruce Fein, who is an attorney with
8 the House Select Committee.

9 BY MR. CAROME:

10 Q Is it correct, Mr. Roseman, that the Intelligence
11 Law Division is not normally involved in the preparation of
12 covert action findings?

13 A That is correct.

14 Q In 1985, did there come a time where you working
15 on a covert action finding?

16 A Personally I was not involved in 1985 in working
17 on -- let me step back, because the times -- we got involved
18 on the Iran finding on 2 and 3 January 1986 and were involved
19 with another, [REDACTED] finding, which may have
20 been in late 1985, so let me correct that.

21 Q You were involved in preparation of a covert
22 action finding in 1985; is that right?

23 A It probably would have begun in late 1985, in
24 late December of 1985.

25 When you say you, you mean my role personally?

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1 Q That's right. I'm speaking of your role
2 personally.

3 A Yes.

4 Q And what did that finding that you were involved
5 in, in 1985, deal with?

6 A To the best of my recollection, we were involved
7 in a finding dealing with [REDACTED] And I have not
8 reviewed that finding, so that's the best recollection I have
9 at this time.

10 Q Did that finding deal with any particular
11 countries?

12 A I do not believe so.

13 Q And when you say "we were involved," who besides
14 yourself was involved in that [REDACTED] finding?

15 A It would have been, I am certain, Bernie Makowka,
16 the Chief of the division. It was myself and Gary Cole, who
17 was one of the attorneys working for us, assigned -- one of
18 the attorneys assigned to Intelligence Law Division.

19 Q Is Mr. Cole an attorney who reported directly to
20 you at that time?

21 A Yes, that's correct. To me and, or actually
22 directly to Bernie as Division Chief, but to me if you want
23 to say through the chain of command.

24 Q And is it correct that this [REDACTED]
25 finding was the first finding that you were ever involved in?

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1 A Well, to say the first finding that I was ever
2 involved in, I have been involved over the years in questions
3 related to findings, covert --

4 Q Let me see if I can be more specific with the
5 question.

6 Was that the first instance in which you were
7 ever involved in the drafting of the actual finding itself?

8 A I believe so; yes.

9 Q Was that also the first instance that you're
10 aware of in which the Intelligence Law Division was involved
11 in the actual drafting of a covert action finding?

12 A Well based on my knowledge, what I know at this
13 point in time, the answer is no. Because I understand that
14 Mr. Makowka was involved in drafting what has been referred
15 to as the mini-finding of, I believe, November 1985. As to
16 whether or not Mr. Makowka has been involved in other findings
17 prior to that time, I do not know.

18 When I say involved in, I should say the same
19 thing, actually drafting. Because he, as well as I, have
20 been involved over the years in a number of questions related
21 to covert action programs or special activities.

22 Q Other than this one [REDACTED] finding and
23 findings that did pertain to Iran that are really the subject
24 of our investigation --

25 A Um hum.

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1 Q -- are you aware of any other covert action
2 findings prepared by the Intelligence Law Division?

3 A No, I am not.

4 Q I take it that there did come a time where you
5 became involved in the preparation of a covert action finding
6 relating to Iran?

7 A That is correct.

8 Q And when did your involvement begin on that?

9 A My involvement began on that I would say on
10 2 January 1986.

11 Q And how did it begin?

12 A Well, I recall that our Division Chief was on
13 leave, or going on leave in the end of 1985 and --

14 Q Who was the Division Chief?

15 A Mr. Makowka.

16 Q And he asked Gary Cole and myself to finish the
17 drafting and the work on the [REDACTED] finding by, I
18 believe he probably said by the end of -- by 31 December or
19 30 December, whatever the last working day of the year was;
20 and he indicated that that was something that needed to or
21 should be sent up to the General Counsel as quickly as
22 possible.

23 Mr. Cole and I did the work on that finding, and
24 in preparing the finding itself, in part because we had not
25 previously drafted findings ourselves and in part because

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1 our practice is to do the most thorough legal job we can, we
2 contacted -- I believe we would have contacted George
3 Jameson or -- it was either George Jameson or Ernie
4 Mayerfeld, who may have been counsel -- whoever was counsel
5 for the DO at that time who ordinarily dealt with these
6 kinds of matters, or it might have been George Clarke, who
7 George Jameson or Ernie Mayerfeld, I believe, reported to.

8 We contacted them to get background paperwork
9 on preparation of findings and the proper format and who it
10 goes through within the Agency and who it goes through
11 outside of the Agency, so that we could do the best possible
12 job on that.

13 Q Is your work on this matter all happening toward
14 the end of December? Is that correct?

15 A Yes. I'm referring now to the [REDACTED]
16 finding, which is a lead-in to your question as to how we got
17 involved or how I got involved in the Iran finding.

18 Q And the activity you've just described took place
19 the last 10 days or so of December?

20 A I will say within the last 5 or 10 days in
21 December.

22 Q Do you know whether or not the activities you
23 were just describing on the [REDACTED] finding were
24 related to a meeting that Mr. Makowka attended at Colonel
25 North's office on Christmas Eve, 1985?

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1 A I'm sorry. Could you repeat that?

2 Q Are the activities on the counterterrorism
3 finding that you have just described related to a meeting of
4 Mr. Makowka and Mr. North on December 24, 1985?

5 A To my knowledge, they were not related.

6 Q Were you aware of that meeting?

7 A I might have been aware generally of the meeting,
8 but not of the substance or the specifics of the meeting.
9 In other words, Mr. Makowka may have come back from that
10 meeting and said to me, I just met with Ollie North, or, I
11 just had a meeting at the White House; or he may have said,
12 Dave, I'm going down this afternoon to the White House to a
13 meeting with Lieutenant Colonel North, something of that
14 nature.

15 However, on certain matters as the then Division
16 Chief, the General Counsel would deal with Bernie Makowka
17 directly and not with me. Because we operated on a need-to-
18 know principle in certain sensitive matters, the General
19 Counsel would deal with the then Division Chief and it would
20 be -- that information wouldn't be shared with me.

21 Getting back to our preparation on the
22 [REDACTED] finding leading into our involvement in the
23 Iran finding, we finished that work, the work on the
24 [REDACTED] finding, on a timely basis. We presented
25 that finding to the General Counsel, and I recall that the

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1 General Counsel was very, very pleased with the work we had
2 done, both substantively and the timeliness of our response.
3 And that probably would have been, we turned that in I will
4 say either the last day in December or the first working day
5 in January of 1986.

6 Q That would have been January 2nd, I believe.

7 A Probably January 2nd. But I recall that we
8 would have -- I will -- my best recollection would be that
9 we turned that in the last part of December 1985.

10 Q Could I just ask, did the [REDACTED]
11 finding bear any relationship to discussions that were going
12 on in the Office of General Counsel about an enterprise
13 theory for prosecution of terrorists?

14 A I am aware of the enterprise theory that was
15 discussed at that time in the office. I can't recall that
16 specifically but I don't believe so. I don't believe it
17 dealt with that. But I really cannot recall, though, with
18 any specificity.

19 Q We have just now gotten up to the January 2nd
20 time frame --

21 A That's correct.

22 Q -- and I think you're going to --

23 A That's right.

24 Q -- begin to tell us what it was that brought you
25 into the drafting of the Iran finding.

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1 A That's correct.

2 On the 2nd of January, and this would have been
3 after we completed our work, at least our draft work on the
4 [REDACTED] finding, the General Counsel called me into
5 this office and said, in effect, that he was very pleased
6 with the work that we had done and that he had another matter
7 that was of extreme sensitivity and that he wanted me to
8 work on it.

9 And he then described this next matter and it
10 was this, it was the finding related to -- it was the
11 so-called Iran finding.

12 Q So this was described to you in a meeting in
13 Mr. Sporkin's office; is that right?

14 A That's correct.

15 Q And you are fairly certain this was on
16 January 2nd; is that right?

17 A I'm fairly certain only because I have reviewed
18 the two Iran findings, and one is dated 2 January and one
19 is dated 3 January. And my recollection is that Mr. Sporkin
20 said that this was another finding that needed to be
21 prepared, and needed to be prepared expeditiously.

22 And I recall that we, Mr. Cole and I, prepared
23 that finding by close of business that day.

24 Q All right. If we could turn to what it was that
25 Mr. Sporkin said to you in this first meeting on the subject

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1 of the Iran finding.

2 A Yes.

3 Q What did he tell you needed to be done?

4 A The best that I can recall on that is that, as
5 I said, he called me into his office and said that there was
6 a matter of extreme sensitivity and he wanted me to work on
7 that. And he described the matter as --

8 MR. CAROME: Could we go off the record for just
9 a second?

10 (Discussion off the record.)

11 MR. CAROME: Back on the record.

12 The record should probably reflect that Tim
13 Woodcock, from the Senate staff, has just joined us.

14 MR. WOODCOCK: 25 minutes late.

15 BY MR. CAROME:

16 Q Mr. Roseman, you were just describing what it
17 was that Mr. Sporkin said needed to be done, and I believe
18 you were just about at the point to describe what type of
19 project the finding was to relate to.

20 A Yes. My recollection on this, I should add, is
21 in large part based on my reviewing the finding itself
22 because, obviously, whatever was contained in there or most
23 of what was contained in there was based on what Mr. Sporkin
24 had told me.

25 MR. CAROME: Why don't I have a copy of the

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1 finding, the draft finding, marked as an exhibit, and I will
2 put it in front of you so you can look at it.

3 THE WITNESS: Thank you.

4 (A document was marked Deposition
5 Exhibit DR No. 1 for identification.)

6 BY MR. CAROME:

7 Q Mr. Roseman, I show you what has been marked as
8 Exhibit 1. It has a CIIN number 1119, and it's a document
9 dated January 2, 1986, and it appears to be a draft finding
10 on Iran.

11 A Mr. Sporkin basically said that we were, or words
12 to the effect that we were, the U.S. Government was trying
13 to establish an initiative or open a line of communication
14 with the moderate elements in Iran and that we, in order
15 to, you know, in furtherance of that -- in furtherance of
16 that goal a Finding needed to be prepared to support the
17 sensitive special activity or covert action.

18 Q What was said about the types of activities that
19 would be taken? What did Mr. Sporkin say at that meeting
20 on those subjects?

21 A Other than to tell you generally what I've just
22 described, I really can't -- I can't recall specifically
23 any specifics of what he said at that point in time.

24 Q Let me see if I can ask you a few specific
25 questions on things that might have come up to find out

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1 if you have a recollection whether they came up.

2 A Yes. There is one thing that I did just
3 remember, but why don't you go ahead.

4 Q What is the one thing that you remember?

5 A I remembered in part because -- it's Mr.
6 Woodcock.

7 Q That's Mr. Woodcock.

8 A Yes. I have previously been interviewed by
9 Mr. Woodcock and at the close of -- towards the close of that
10 interview, Mr. Woodcock asked me whether there was any
11 discussion during my meeting with Mr. Sporkin about the
12 Israelis being involved in this, whether Mr. Sporkin
13 mentioned that to me. And I had not previously mentioned
14 that in my interview with Mr. Woodcock, and I said at the
15 time that that sort of jogged my memory a bit and that I
16 recall that that was mentioned. I am not certain about that,
17 but I recall that that -- that Mr. Sporkin may have said
18 something along the lines of, you know, this is -- in part,
19 the sensitivity of this is due to our working with our
20 allies on this including, or our ally Israel or our allies
21 including Israel.

22 Q Do you recall what he said on what specifically
23 Israel had to do with the activity?

24 A No, I do not. And it may have just been in
25 terms of sensitive project. That may have just been the

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1 nature of it.

2 Q Did Mr. Sporkin say that arms or any other types
3 of material would be delivered to Iran?

4 A I presumed that he did because that is all
5 contained -- the finding states that -- the finding, or part
6 two of the finding, if you will, the second paragraph of
7 the finding, states that we would, the U.S. Government would
8 provide arms, equipment and related materiel to the
9 Government of Iran. And I recall that when we, that when
10 Mr. Cole and I submitted this draft finding to Mr. Sporkin,
11 which I believe would have been on 2 January, that Mr.
12 Sporkin made, at least initially there were only minor
13 changes made.

14 So I would -- I could only assume that in our
15 initial discussion he mentioned that this finding included
16 arms and equipment and related equipment.

17 Q Did Mr. Sporkin say anything in this initial
18 discussion about hostages and that one objective of the
19 activity contemplated was release of hostages?

20 A I really do not recall that.

21 Q You have no recollection of the subject of
22 hostages being mentioned?

23 A No, I do not. But we, you know, again the
24 finding talks in terms of our activities done in part to help
25 protect against terrorist activities directed against U.S.

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1 persons. It's possible that he may have mentioned that. I
2 do not recall it.

3 But clearly, one of the purposes of the finding
4 was to help protect against terrorist acts directed against
5 U.S. persons, U.S. property, U.S. interests.

6 Q Did Mr. Sporkin say anything about an earlier
7 finding relating to Iran?

8 A I don't believe that he did. If you're referring
9 to the finding that Mr. Makowka -- I later learned that
10 Mr. Makowka worked on in, I believe, November of '85, I
11 do not believe that Mr. Sporkin mentioned that earlier
12 finding to me at that time or any previous time or subsequent
13 time.

14 Q When did you first hear anything about the
15 November 1985 finding?

16 A I can't give you a specific date but I assume it
17 probably would have been in November or December of 1986
18 when the news became public about the whole Iran initiative.
19 But I do not believe that Mr. Makowka ever discussed that
20 finding with me.

21 And again, let me clarify. Mr. Makowka may have
22 said to me something along the lines of I'm working on a
23 very sensitive project for Stan or I had to stay late last
24 night working with the General Counsel, but that would have
25 been it.

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1 If he had been instructed by Mr. Sporkin not to
2 discuss the specifics with me, he would not have, nor would
3 I have asked. And that is our practice, certainly in our
4 division.

5 Q And I take it that in late 1985 and early '86
6 you heard nothing about a 1985 finding being signed relating
7 to Iran; is that right?

8 A I believe that's correct.

9 Q Did Mr. Sporkin mention Oliver North's name in
10 the initial discussion with you?

11 A He might have mentioned it to me. I will say
12 that Mr. Cole and our secretary and myself certainly knew
13 that he was bringing the 2 January or the 3 January finding,
14 the 3 January redraft of the White House, and certainly
15 my understanding was, my belief was that that was going to
16 Oliver North.

17 Q Did you know who North was at that time?

18 A Generally I knew who he was. I never had any
19 dealings with him myself. I knew that he was a senior
20 official in the National Security Council and seemed to be a
21 person who wielded a fair amount of power in the National
22 Security Council, but that was the extent of my knowledge of
23 Mr. North.

24 Q In what sense was it evident to you that Mr.
25 North wielded a fair amount of power?

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1 A In the sense that his name had been mentioned on
2 a number of occasions at office, division chief meetings.

3 Q Who would mention his name?

4 A Oh, possibly George Clarke, who, as I said
5 earlier, had responsibility in covert action areas. Possibly
6 the General Counsel.

7 Q What do you know about the relationship between
8 Mr. North and Mr. Sporkin at or around that time?

9 A I know nothing of the relationship between those
10 two gentlemen.

11 Q You knew that they would have meetings and phone
12 calls, didn't you?

13 A Well, certainly I knew that they had -- again, as
14 I said -- as I said earlier, not to repeat all of that, my
15 understanding was that Mr. Sporkin was going down to see
16 Mr. North to bring this finding. Either Mr. Sporkin had
17 said that to me directly, that he had to get down to the
18 National Security Council or to the White House, or I
19 surmised that.

20 Q Were you aware of any interaction between North
21 and Sporkin prior to January 2nd?

22 A Nothing specific, other than what I just said to
23 you. His, Mr. North's name I recall had been mentioned at
24 division chief meetings.

25 Q Did you ever see North at the CIA?

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1 A No, I did not.

2 Q Have you ever met North?

3 A No, I have not.

4 Q Have you ever spoken to him on the phone?

5 A No, I have not.

6 Q Did Richard Secord's name come up in this

7 initial conversation with Mr. Sporkin?

8 A No, it did not.

9 Q Did Secord's name come up in any discussions you
10 had on this subject in January of '86?

11 A No, it did not.

12 Q Have you ever met Secord?

13 A No.

14 Q Have you ever spoken to him on the phone?

15 A No.

16 Q Was anyone else present during this initial
17 meeting with Mr. Sporkin and yourself?

18 A I'm not certain about that. The Deputy General
19 Counsel may have been present at that meeting.

20 Q And who would that have been? Who was that?

21 A That would have been Mr. Dietel.

22 Q What is your best recollection on whether or not
23 Mr. Dietel was present?

24 A As I said, I'm not certain. If he were present,
25 he was almost entirely or entirely in just a -- just present.

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22

1 The instructions I was receiving and the discussion was really
2 with Mr. Sporkin.

3 Q Anyone else present for this meeting?

4 A No. Mr. Cole was not present at that meeting,
5 and Mr. Cole assisted me in drafting this finding, the
6 3 January finding.

7 Q I want to get to that, but I want to see if there
8 is anything else we can learn about the first, January 2nd
9 meeting.

10 About what time of day was that meeting held,
11 do you recall?

12 A I think it was held either late in the morning
13 or around the lunch hour, or perhaps early afternoon, in
14 that time frame. I knew -- I think we had several hours,
15 you know. Mr. Sporkin, again, told us that he needed
16 something back expeditiously, and he either said this or the
17 implication was he needed it by close of business that day.
18 And I know we had several hours to do it.

19 Q Did the subject of whether or not there would be
20 advance congressional notification of the finding come up
21 during this initial discussion with Mr. Sporkin?

22 A In reviewing the 2 January and the 3 January
23 finding, I see the 2 January finding talks about notification
24 to the committees. The 3 January finding has alternative
25 language. That subject came up. Whether it came up

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1 on the first, or in my initial meeting with Mr. Sporkin or
2 the meeting the next day, I don't remember.

3 I think it might have, it might have come up in
4 the initial meeting and it might have come up along the lines
5 of this is just a sensitive matter, but I'm not certain on
6 that point.

7 Q I take it that it was clear during this
8 discussion, this initial discussion that the objective of
9 what Mr. Sporkin was asking you to do was to get a finding
10 prepared; is that right?

11 A That's correct.

12 Q Did you discuss whether or not there should be
13 a finding or was it clear right from the start that there
14 needed to be a finding?

15 A No, we did not discuss whether from -- we did
16 not discuss whether there should be a finding. We did not
17 discuss any policy implications on the finding. It was a
18 matter of the General Counsel saying to -- it was a matter
19 of the General Counsel giving me instructions to prepare
20 this, and then my reviewing section 501 of the National
21 Security Act and preparing the finding in accordance with
22 the statute and in accordance with the previous documents
23 that I have mentioned to you that we had located.

24 Q Did Mr. Sporkin in the initial discussion say
25 anything about the National Security Council and its role in

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1 its role in the contemplated activities?

2 A I do not believe so. I'm fairly confident he did
3 not.

4 Q Did you understand that the activities under
5 consideration were to be carried out by Central Intelligence
6 Agency people?

7 A That wasn't discussed but that would have been
8 my understanding. The executive order, Executive Order
9 12333 states that the agency within the United States that
10 will ordinary carry out what Executive Order 12333 defines
11 as special activities, or what's more commonly known as
12 covert action, is to be carried out by the Central
13 Intelligence Agency unless the President specifically finds
14 that another agency is more fully -- is better suited to
15 conduct that kind of an activity.

16 So my understanding would have been that this
17 would have been Central Intelligence Agency carrying this
18 out.

19 Q Did Mr. Sporkin give any indication to you at
20 that first meeting or any other time --

21 A Um hum.

22 Q -- that there had been an earlier shipments of
23 arms to Iran that the CIA had been involved with?

24 A No, he did not.

25 MR. FEIN: Did he indicate whether private

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1 parties would be involved in the covert action contemplated?
2 Since that was a part of the drafting evolution --

3 THE WITNESS: When you say private parties
4 involved in -- did you say private parties --

5 MR. FEIN: Yes, I did.

6 THE WITNESS: -- involved in providing arms?

7 MR. FEIN: Well, in the overall covert action
8 that was the subject of the finding.

9 THE WITNESS: Well, with regard to providing arms,
10 I don't recall that there was any discussion of that. There
11 presumably was discussion of private parties in the sense
12 that the 2 and 3 January findings refer to working with
13 individuals; for example, working with individuals and
14 organizations both within and outside of Iran and liaison
15 services and other foreign government entities. So in that
16 general sense, that was probably mentioned that there would
17 be, you know, the finding should be written to include not
18 only working with another government but with a liaison
19 service or individuals or organizations.

20 But, as I said, there was no discussion on
21 using private persons, to the best of my recollection, to
22 provide arms to the Iranians.

23 BY MR. CAROME:

24 Q Did Sporkin, in this initial discussion, say
25 anything about who within Iran was to be the recipient of

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26

1 arms?

2 A I don't recall. I can only say that in reviewing
3 the 2 January finding and comparing it with the 3 January
4 finding, the 2 January finding refers to providing arms to
5 the government of Iran, whereas the 3 January finding refers
6 to providing arms to moderate elements within the government
7 of Iran, or moderate elements within Iran. I don't have the
8 3 January finding in front of me.

9 Could you repeat that one, please? Repeat the
10 question?

11 Q The question was, was there any discussion at
12 this initial meeting with Sporkin on the subject of who
13 within Iran was to be the recipient of arms?

14 A Okay. I can't recall whether at the initial
15 meeting that discussion came up, but certainly during one
16 of the meetings that subject was discussed, or that subject
17 was, Mr. Sporkin said you -- yes, that subject was discussed.

18 Q And what did he say on that subject?

19 A He -- I can't remember specifically, but it was
20 along the lines of the finding should be drafted or needs to
21 be drafted so that we, so that we provide arms to the
22 moderate elements in Iran, or in the Iranian government.
23 And I do not recall that there was much discussion on that.
24 It was a ^{matter} ~~matter~~ of Mr. Sporkin as the General Counsel giving
25 me instructions as to how to draft, how to prepare this

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27

1 finding.

2 Q Mr. Sporkin said that this was a highly
3 sensitive matter, is that right?

4 A That's correct.

5 Q Did he explain to you why it was sensitive?

6 A I don't recall. But I do recall at the time
7 that he, the whole subject was -- I do recall that at the
8 time that I was called in by Mr. Sporkin and he mentioned
9 the subject matter it seemed to me to be a very, an
10 extremely sensitive kind of subject in the sense that we
11 were establishing an initiative with the Iranian government.

12 Q And why would that be sensitive?

13 A Because at the time we did not ^{have} relations with
14 Iran. That was my perspective.

15 Q Was one of the factors that made it sensitive
16 at that time the fact that any public disclosure that the
17 United States was initiating relations with Iran would be
18 a political fire storm if disclosed to the public?

19 A Could you repeat that again, please?

20 Q Was one factor contributing to the sense of
21 sensitivity of this matter the fact that public disclosure
22 of the subject would cause a political fire storm?

23 A I do not know what Mr. Sporkin was thinking but
24 that was not a consideration of mine. It just seemed to be
25 to me that this was a -- that, you know, Iran was a terrorist

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28

1 or is a terrorist -- was and is a terrorist nation or nation
2 that supports international terrorism, and that we did not
3 have relations with Iran, and that this was an initiative
4 to establish relations, and in that sense, in a foreign
5 policy sense, if you will, it seemed to me to be very
6 significant and something that was very sensitive.

7 MR. FEIN: Well, isn't it true that those who
8 are related to the Shah in the United States in the
9 aftermath of the Khomeini takeover were summarily executed
10 in that, if they were moderates who it was publicized, in
11 Iran, were making contacts with the United States and that
12 fact was leaked, they could be summarily executed? So the
13 whole effort to establish a link with the moderates would
14 collapse because any publicity would be the demise of the
15 moderates in Iran, since there is no indication that the
16 Ayatollah himself has changed colors like a chameleon.

17 THE WITNESS: I don't know the answer to that
18 question.

19 BY MR. CAROME:

20 Q Did Mr. Sporkin say anything about the fact that
21 the weapons to be provided to Iran were to be used in the
22 Iran-Iraq conflict?

23 A Again my recollection is based on what's contained
24 in the finding, and I would presume that he did state that.

25 Q You have no independent recollection of the

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29

1 discussion of use of the weapons in the Iran-Iraq war?

2 A Well, I do -- I have, I have a, some recollection
3 that in these, that in this discussion or in these
4 discussions with Mr. Sporkin that we -- there was concern
5 that the weapons not be used against U.S. interests, and
6 that's reflected in the finding.

7 Q Was it also evident that the weapons would be
8 used against Iraq?

9 A As I said, from reading the finding, I would
10 have to assume that that was something that was discussed.

11 Q How long did the first meeting with Mr. Sporkin
12 last?

13 A It may have lasted, more or less, 10 to 15
14 minutes.

15 Q And what happened after the meeting?

16 A Well, before the meeting closed, having worked
17 on a previous [REDACTED] finding with Mr. Cole, I may
18 have initiated this or Mr. Sporkin may have initiated this,
19 but I certainly didn't, I certainly on something like this
20 would not have had Mr. Cole assist me on this without getting
21 specific authorization from the General Counsel.

22 So I may have said Mr. -- I may have said,
23 Stan, do you want me to work on this alone or do you have
24 any objection if Gary Cole works on this with me; or Stan
25 may have said, you can do this alone or with Gary Cole. It's

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1 not to be discussed with anyone. It's not to be discussed
2 with anyone else.

3 But it was clear, my orders were clear that I
4 could work with Gary Cole but that this was not to be
5 discussed with anyone else within or outside of the office.

6 And your question was, what was the process after
7 that? I immediately called Gary Cole and described this,
8 described as Mr. Sporkin had described it to me, and the two
9 of us sat down and drafted this. We may have actually sat
10 down together and drafted it or we may have worked
11 independently or divided it up, you know, one person working
12 on one paragraph, one person working on the other.

13 Q Did Mr. Sporkin indicate to you that you should
14 complete a draft of the finding before the end of the day?

15 A I think that he did. That certainly was my
16 understanding, and I recall that this finding was submitted
17 to Mr. Sporkin by the close of business. If it were not by
18 close of business, it would have been -- well, it's dated
19 2 January. I'm assuming that it was done by the end of that
20 day.

21 Q Did Mr. Sporkin say anything in the first meeting
22 about how soon the contemplated activity was to occur?

23 A No, he did not.

24 Q So that afternoon, I take it you and Mr. Cole
25 sat down and began working on the drafting of what became

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31

1 Exhibit No. 1; is that right?

2 A That's correct.

3 Q And what sources did you draw on to prepare this
4 first draft finding?

5 A I would say we drew on three sources. We drew
6 on the information, the directions that Mr. Sporkin had given
7 to me, number one. Number two, we drew on the previous
8 materials I mentioned at the outset of this deposition --
9 other findings and related papers, and the proper formatting
10 of those types of findings. And, number three, we drew on
11 the language of section 501 of the National Security Act of
12 1947 to ensure that the finding was consistent with that --
13 consistent with that language and fell within the parameters
14 of that statute.

15 Q And by the end of the you --

16 A And I should add we also certainly referred to
17 the Hughes-Ryan amendment, the so-called Hughes-Ryan
18 amendment.

19 Q And you completed the draft by the end of the
20 day, is that right?

21 A I believe that we did.

22 Q In looking at the draft I see that there is a
23 sentence at about the middle of the page that refers to
24 provide intelligence, counterintelligence, et cetera, to the
25 identified potential alternative leaders.

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32

1 A Um hum.

2 Q What do you recall Mr. Sporkin saying on the
3 question of providing intelligence to alternative leaders?

4 A Well, he might have said, and he probably would
5 have if there is that language in this first draft -- he
6 probably said that the U.S. Government was attempting to
7 establish relations with more moderate elements within Iran
8 or within the Iranian government. But I don't believe that
9 he said anything substantially beyond that.

10 Q He must have said something along the lines of
11 we're going to provide these elements with intelligence,
12 is that right?

13 A He might have or this -- no, this draft is dated
14 2 January 86. It's possible that Mr. Cole and I presented
15 him with the draft and Mr. Sporkin revised it, and then this
16 was printed out on our typewriters as the 2 January 86
17 finding at the end of the day.

18 So it's possible that the language that Mr. Cole
19 and I gave to Mr. Sporkin is not exactly what you see here.

20 Q I see.

21 A In other words, we may have gone back towards
22 the end of the afternoon and said, Stan, here is a draft,
23 and he looked at it and made some changes in it and then gave
24 it back to us for retyping.

25 Q Do you recall that's the way it happened? That

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33

1 you presented Mr. Sporkin with a draft on the 2nd?

2 A You've asked me that before and I -- to the best
3 of my recollection, I think we did.

4 Q So you recall having taken a draft back to Mr.
5 Sporkin later that day, is that right?

6 A Yes, I do.

7 Q Do you recall doing that personally, actually
8 walking it up to his office?

9 A Yes, I would have done that.

10 Q And did you have any conversation with Mr.
11 Sporkin at that time?

12 A I, I'm not certain but I don't believe so. I
13 believe that I probably showed him the draft and waited in
14 the office, either in his office and/or in my office,
15 waiting for him to give me any further instructions; and I
16 would not have left that evening I'm certain until the
17 General Counsel said that's fine for tonight.

18 But I don't recall whether we had any further
19 discussion at that period of time or whether it was a matter
20 of handing the General Counsel the draft and having him
21 review it and make whatever changes he might want to make
22 in that.

23 Q This draft that's marked Exhibit 1, do you recall
24 or can you tell whether that is what you and Mr. Cole
25 originally drafted?

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34

1 A It certainly is -- I can't, as I said before, I
2 can't say with certainty that this is exactly the draft that
3 we gave to Mr. Sporkin and that there are no changes. But
4 this certainly had most of the elements of what we did;
5 in other words, we didn't give him a piece of paper and
6 Mr. Sporkin totally revised it -- Mr. Sporkin totally
7 rejected our work and revised it and came up with this.

8 Q And you can't recall anything that Mr. Sporkin
9 would have told you at the time you presented him with this
10 first draft on the 2nd; is that right?

11 A No, I really can't. I would be speculating if
12 I tried to do that.

13 Q You don't recall him saying, you need to make
14 these changes in it, at that time, do you?

15 A Well, I'm not sure. You know, there are obvious
16 changes between the 2 January and the 3 January draft and
17 I am not certain whether he said that evening on 2 January,
18 I want some additional changes, or whether he called me back
19 into his office again on 3 January and asked us to work on
20 that again.

21 In fact, my best recollection of this was that
22 I provided the draft to Mr. Sporkin and that he made some
23 changes and -- when I say my best recollection, my initial
24 recollection of the scenario was that I provided this to
25 Mr. Sporkin and he made some changes, and then he went down

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TOP SECRET
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35

1 to the National Security Council that first evening; however,
2 the records don't reflect that, so I assume that I'm
3 incorrect on that.

4 Q What you assume is incorrect is that Sporkin
5 didn't go down to the White House until January 3rd; is that
6 right?

7 A That's right. The records reflect that he did
8 not go down on the 2nd and that he brought the 3 January
9 finding down on the 3rd, and I have no reason to doubt the
10 record on that.

11 Q Is it possible that you didn't present the first
12 draft to Mr. Sporkin until the following morning; namely,
13 January 3rd?

14 A That's possible but I believe it's highly
15 unlikely. When the General Counsel indicated that he wanted
16 something of this nature done, done quickly, I can't imagine
17 that Mr. Cole and I would have left the office until that
18 would have been done. And I'm sure our secretary -- I know
19 our secretary would have stayed regardless of how late that
20 was.

21 Q And Mr. Sporkin would have stayed that late, too?

22 A Well, that would depend. If we finished at
23 nine o'clock at night, he might not have stayed. But again,
24 I don't -- I believe that we, as I said before, I believe we
25 provided this to him the first evening.

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1 (A document was marked
2 Deposition Exhibit DR No. 2 for
3 identification.)

4 MS. MCGINN: Can we go off the record for a
5 minute?

6 MR. CAROME: Sure.

7 (Recess.)

8 BY MR. CAROME:

9 Q What happened, Mr. Roseman, with respect to the
10 drafting of this finding on January 3rd?

11 A As I just said -- (pause) -- it was, we either
12 completed the drafting on the 2nd or on the 3rd of January
13 Mr. Sporkin called me in and asked me to redraft the finding,
14 in part.

15 Q I show you what has been marked as Exhibit 2.

16 A Yes.

17 Q Did you play a role in the drafting of this
18 Exhibit 2? Do you recognize this document?

19 A I -- yes, I do recognize the document.

20 Q What is it?

21 A What is this document?

22 Q Yes.

23 A It's a finding, dated 3 January 86, dealing with
24 Iran.

25 Q And you played a role in the drafting of this,

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37

1 is that right?

2 A Well, what I recognize, really -- specifically
3 what I recognize is the alternative language at the outset
4 in terms of "essential to limit prior notice" to the
5 committees or directing the DCI to provide notice to the
6 committees. That language I specifically recall.

7 The other language, I have no recollection
8 between the -- let me rephrase that. With regard to the
9 body of the finding, I don't recall specifically what was
10 done in the first draft versus the second draft.

11 MR. CAROME: Could we go off the record for just
12 a second.

13 (Discussion off the record.)

14 BY MR. CAROME:

15 Q Just so it is clear, you do recall being asked
16 by Mr. Sporkin to include something on alternative language?

17 A Yes, I definitely recall that.

18 Q And when did Mr. Sporkin speak to you about that
19 subject?

20 A I am not, I am not certain on that, but I do know
21 that -- I am not certain when he asked me to draft
22 alternative language in the finding. The alternative
23 language dealing with notification to the Congress. However,
24 I am certain that that subject was discussed.

25 Q And what did he say on that subject?

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38

1 A Well, he asked me to draft alternative language.

2 Q Did he say why that was to be done?

3 A Well, I don't recall specifically but I presume
4 that the discussion was along the lines of this matter is
5 extremely sensitive and under section 501 of the National
6 Security Act under certain limited circumstances prior notice
7 to the committees is not -- may not be required and so we
8 should draft alternative language.

9 Q You recognize that that was at least highly
10 unusual that not notifying Congress would be contemplated;
11 is that right?

12 A Well I am not the expert on that subject because,
13 as you said at the outset, we, the Intelligence Law Division,
14 doesn't ordinarily get involved in drafting findings. But
15 my sense was certainly that that was the exception rather
16 than the rule.

17 Q Did Mr. Sporkin indicate who would be the person
18 to choose between the alternatives on the question of
19 notification?

20 A No, he did not.

21 Q And with respect to the body of the January 3rd
22 draft --

23 A Um hum.

24 Q -- am I correct that what you say is that you
25 don't have a recollection of what caused these changes to be

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TOP SECRET
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39

1 made?

2 A No, I do not.

3 Q You have no such recollection?

4 A That's correct.

5 Q I see that one change is the addition of a
6 paragraph number 2 referring to obtaining from them
7 intelligence.

8 Do you recall where that idea came from?

9 A No, I do not. In fact, as I said, I don't recall
10 whether, specifically in the body of this, how the final
11 drafting came about.

12 Q You are not sure whether or not you even played
13 a role in the changes between the -- to the body of the
14 finding between the January 2nd and January 3rd draft; is
15 that what you're saying?

16 A I'm not certain. I would assume that I played
17 some role in that.

18 Q And any changes that are made here are either
19 the result of suggestions or directions from Mr. Sporkin or
20 his own direct edits; is that right?

21 A That would be correct, yes. I think the way you
22 have just phrased it is the most accurate way of
23 characterizing this.

24 Q The second line of this, of the descriptive
25 portion of the January 3rd finding, refers to selected

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40

1 foreign liaison services. Do you know what that is a
2 reference to?

3 A No, I do not, except to reference my earlier
4 statement that I recall that there was a reference made to
5 Israel.

6 Q Do you recall any reference to any other
7 countries besides Israel?

8 A No, I do not.

9 Q That same second line of this description of the
10 January 3rd finding refers to third countries, in the
11 plural.

12 Do you know whether additional countries besides
13 Israel were contemplated, even if you don't know the
14 identity of those countries?

15 A No, I do not. And with regard to the answer I
16 just gave to you, when you said "selected foreign liaison
17 services," I'm not certain whether the reference to Israel
18 was with regard to foreign liaison services or third
19 countries. It was just possibly a reference to Israel.

20 Q Other than Israel, you don't know what either the
21 phrase "liaison services" or "third countries" could refer to,
22 is that right?

23 A That's correct.

24 Q What else happened on January 3rd relating to this
25 finding that you know of?

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TOP SECRET
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41

1 A Again, as I've stated before the best of my
2 recollection, if I worked on the finding on the 3rd, then I
3 continued drafting or redrafting, making suggested -- making
4 changes that the General Counsel had suggested; and the only
5 other thing that I know that went on, based on my review of
6 the record, is that the record indicates Mr. Sporkin on
7 3 January brought the finding down to the National Security
8 Council.

9 And when I say the record indicates that, that's
10 a cover sheet that I believe our secretary would have
11 prepared to deal with handling of a Top Secret document.

12 (A document was marked
13 Deposition Exhibit DR No. 3 for
14 identification.)

15 BY MR. CAROME:

16 Q Mr. Roseman, I show you what's been marked as
17 Exhibit 3 and ask you is the front page of Exhibit 3 the
18 cover sheet that you just described?

19 A Yes, it is.

20 Q And that is the source of your understanding that
21 Mr. Sporkin took this to Mr. North on January 3rd; is that
22 right?

23 A Yes, that's correct.

24 Q Do you have any information independent of this
25 cover sheet that that's what took place? Did Mr. Sporkin

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42

1 tell you that that was going to happen on January 3rd?

2 A I presume that he -- he may not have mentioned
3 Mr. North, but I presume that he told me, or me and Mr. Cole,
4 that he was going down to the White House. I'm fairly
5 certain of that.

6 This reference here in Exhibit No. 3 really
7 confirms what my understanding was, at least insofar as
8 Mr. Sporkin's going to the National Security Council.

9 Q What was Mr. Cole's role in the preparation of
10 the January 2nd and January 3rd drafts?

11 A Well, as I think I've explained before, Mr.
12 Cole's role was essentially to assist me in drafting those
13 findings, getting his direction from me based on what Mr.
14 Sporkin had told me.

15 Q Did the three of you, that means you, Mr.
16 Sporkin and Mr. Cole, meet together on this matter?

17 A I don't recall that.

18 Q If we could just briefly review the other pages
19 to what is Exhibit 3. The second page is something that is
20 marked "dummy copy." Do you know what that is?

21 A A dummy copy is the way we deal with certain
22 very sensitive documents in our, at least in our OGC
23 recordkeeping system. In other words, the full text copy
24 will go to the actual recipient, and may go to some other
25 recipients, but a dummy copy is put into what's called our

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43

1 signer files, which is a record of everything an attorney
2 has drafted.

3 A dummy copy would be put into our OGC chrono --
4 chronology file -- would be put into, perhaps, the OGC
5 registry; but it is done so that very sensitive matters are
6 not spread out, if you will, throughout the office.

7 Q Does this dummy copy page reflect that any of
8 your own files were going to receive a copy of these
9 materials?

10 A Well, to me the dummy copy says -- distribution:
11 original, Colonel Ollie North; ICA subject file, copy 2;
12 OGC chrono, dummy copy; ILD opinion -- if your question was
13 would I receive that, personally I don't have control over
14 the ILD opinion files but that would be within my area.
15 And "GDC Signer" would be Gary Cole, signer.

16 Q And why was he the signer of this document?

17 A It could have been one of two reasons. The
18 secretary could have assumed that he did more of the actual
19 drafting or the secretary could have simply made a choice
20 between him and me.

21 Ordinarily, the secretaries will put the, will
22 put in the signer -- will put a memo in the signer of the
23 attorney who has done most of the actual drafting. However,
24 that is not a hard and fast rule.

25 Q Did Mr. Cole do most of the drafting of the

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44

1 finding? The draft finding on January 2nd, January 3rd?

2 A I think he may have done the actual drafting.
3 I think he may have done a bit more, but I recall it was
4 fairly equal. We both played active roles in that.

5 Q And the next pages appear to be, first, the
6 January 3rd draft, marked "draft"; and the January 2nd
7 draft, marked "draft"; and the last page is an undated
8 document which is actually a copy of what appears to be the
9 November mini-finding.

10 Is it correct that you did not see this last
11 page at any time prior to November 1986?

12 A That is correct.

13 Q Once the finding had been taken down by Mr.
14 Sporkin to the White House, did you hear anything more about
15 the finding?

16 A To the best of my recollection, I did not.

17 Q Do you recall speaking to Mr. Sporkin about the
18 finding at any time after it had been taken down to the
19 White House on the 3rd?

20 A No, I do not recall having done that.

21 Q Did you ever hear anything in January or February
22 of 1986 about whether or not the finding you had worked on
23 had been signed?

24 A Certainly not from Mr. Sporkin and, no, nothing --
25 when you say did I hear anything, I heard nothing. The

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45

1 only subsequent discussion or discussions that I would have
2 had on that would have been with Mr. Cole and with Mr.
3 Makowka when Mr. Makowka returned from -- he was either on
4 leave at that time and/or had been ill. And when Mr. Makowka
5 came back I'm certain that I briefed him on this, and I'm
6 certain that Mr. Cole and Mr. Makowka and I on one or more
7 occasions among the three of us said has anybody heard
8 anything about the finding? And the answer, as I recall,
9 nobody knew anything more. Certainly Mr. Cole and I didn't.

10 Q Did you ever ask Mr. Sporkin, "What happened with
11 respect to the finding we had worked on"?

12 A I don't -- I do not believe that I did.

13 Q Were you aware of any meetings that were going on
14 on the subject of providing arms to Iran during January
15 '86?

16 A I was not.

17 Q Was there a time in January when you were
18 out of the office for a period of time?

19 A Yes, there was.

20 Q And what were the dates that you were out of the
21 office?

22 A Well I'm at least certain that I was out of the
23 office the week of 6 January.

24 Q For all of that week?

25 A Yes.

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46

1 Q Were you aware that Mr. Cole participated in
2 meetings on the subject of the finding and related matters
3 during that week?

4 A Yes. I was subsequently made aware of that.
5 Exactly when I don't recall, but subsequently I was made
6 aware of that.

7 Q And what did you learn about those meetings or
8 meeting?

9 A Well I had a copy -- well let me backtrack.
10 When the -- after November of '86, when the Iran
11 initiative became public and we received requests from
12 various, you know, the Independent Counsel and the
13 committees to review our files for documents, at least at
14 that point in time I reviewed my files, of course, and one
15 of the documents that I located in my files was a draft of a
16 memo, which I believe was dated 6 January 86, from Betty Ann
17 Smith to George Clarke, on arms transfer.

18 Q And you understand that that was the subject or
19 a subject at the meeting or meetings that Mr. Cole
20 participated in the week of January 6th?

21 A I am not certain but I believe that it was.

22 Q Did you have any discussions on that subject
23 during January of '86?

24 A No. In fact, you know, what may have happened
25 was that when I returned the following week Mr. Cole may have

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47

1 given me a copy of that memo and indicated that he was
2 involved in a follow-up meeting. I probably retained that
3 memo because it was of interest to me, the legal analysis on
4 foreign military sales, not in terms of any Iran initiative.
5 I retained that document I am certain just because it had
6 reference to statutes and some legal analysis on a number of
7 different statutes.

8 Q In any of your discussions that you participated
9 in in January of '86, were you ever told that freeing hostages
10 was one of the objectives of the activities to be undertaken?

11 A I don't believe so.

12 Your question was, was I -- could you go over
13 your question again?

14 Q The question was, did you ever learn in
15 January of '86 that freeing hostages was one of the
16 objectives of the finding?

17 A No. I don't believe that I ever learned that.

18 Q In January '86 did you ever come to learn what
19 the NSC's relationship to the finding was?

20 A Other than what I have previously stated here
21 the answer is no.

22 Q I'm not sure of what you're referring to.

23 A Well, in other words, knowing that Mr. Sporkin
24 brought the finding down to the National Security Council,
25 other than that fact, no, I have no -- I was not told about

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48

1 what role the NSC may have played in all of this.

2 Q The activity that kept you out of the office
3 during the week of January 6 was a management course; is
4 that right?

5 A That's correct.

6 Q And not only did you hear nothing more about the
7 findings that you had worked on in early January, you also
8 heard nothing about a January 17th, 1986 finding; is that
9 right?

10 A That's correct; I heard nothing about that.

11 Q Do you recall writing a note to Mr. Makowka on
12 the subject of the drafting of the finding in early January?

13 A I can't recall specifically having done that;
14 however, when Mr. Makowka would be out of the office for a
15 period of time, say, several days or a week, if I for some
16 reason was not going to be in the office on the day he
17 returned, my ordinary practice would be to dictate a note to
18 the secretary, just going over a whole list of all of the
19 activities that came to our division in the last few days
20 or in the last week or in the last month, however long Mr.
21 Makowka might have been out.

22 In fact, prior to my interview with Mr. Woodcock
23 I had thought of that. That there might be something in that
24 note, and asked my secretary to -- or asked our division
25 secretary to review division files, review her own, you know,

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49

1 her own files. She even reviewed her own steno notebook and
2 she couldn't find any such note. So I may have written one
3 and I may not have.

4 Q But you're satisfied that an adequate search
5 has been done for that and one wasn't located; is that right?

6 A Yes, I am satisfied.

7 MR. FEIN: Could I interrupt for just one second
8 and go off the record?

9 (Discussion off the record.)

10 BY MR. CAROME:

11 Q Other than the drafts of the findings we have
12 already looked at today --

13 A Um hum.

14 Q -- are you aware of the existence of any
15 documents that relate to the drafting work in early January?

16 A Drafting work on these findings?

17 Q That's right.

18 A No, with the qualification that I indicated
19 earlier, that Mr. Cole and I had used some other background-
20 type of papers to assist us in drafting these types of
21 findings. But that's the only other.

22 Q Did you take any notes of your discussions with
23 Mr. Sporkin?

24 A Yes, I did.

25 Q And did you keep those notes?

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50

1 A No. I would have discarded those notes pretty --
2 at the time we drafted this or pretty shortly thereafter.

3 Q Was that because Mr. Sporkin said something
4 about not keeping papers on the subject?

5 A No, he said nothing of that sort. He said
6 absolutely nothing of that sort. That was just a matter of
7 practice, if you will. Just taking notes down on what
8 somebody is giving instructions on and doing the assignment,
9 and the notes have no independent value.

10 There was nothing unusual in discarding those
11 notes in connection with this particular matter than in
12 connection with any other matter I would have handled.

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Pages 51-53

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54

1 [REDACTED]
2 [REDACTED]
3 Q Let me turn back to the point at which you became
4 involved in drafting the January 1 -- excuse me -- January 2
5 and 3 finding. I was not present at the beginning of this
6 deposition but I recall from our interview that as a member
7 of the Intelligence Division of the Office of General Counsel
8 it was not a usual thing for you to be involved in the
9 drafting of a finding; is that correct?

10 A That's correct.

11 Q And when you had this task brought to your domain
12 you sought guidance from earlier findings; is that correct?

13 A That's correct.

14 Q Had you known about a November finding on the
15 same subject, then, presumably, you would have used that as
16 well; is that correct?

17 A Presumably we would have.

18 Q But you did not use that, is that correct?

19 A We were not aware of the November finding and
20 we did not use the November finding.

21 Q Let me turn to the two findings that have been
22 marked Deposition Exhibits Nos. 1 and 2. If you would direct
23 your attention to both of those.

24 The finding that is dated January 3, Deposition
25 Exhibit No. 2, contains a reference to providing training

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55

1 and guidance to the moderate elements. Do you have any
2 understanding as to what that meant?

3 A No, I do not.

4 Q That does appear to be a change from the previous
5 day's effort, but I gather you have no understanding as to
6 whether that meant U.S. personnel might go to Iran or what
7 they might be training the moderates to do?

8 A No. I have no understanding of what that term
9 meant.

10 Q Do you have any idea where it came from?

11 A It could have come from another finding that
12 Mr. Cole and I had used as a -- used in assisting us in
13 drafting this. It could have been Mr. Sporkin's addition.
14 Those are two possibilities.

15 Q You have no independent recollection, however,
16 I gather?

17 A No, I do not. It could have been Mr. Sporkin
18 saying to us add in the word "training" or making some
19 suggestions, but I have no recollection on that at this time.

20 Q The January 3 finding, Deposition Exhibit No. 2,
21 also uses the term, in the second paragraph, "establish
22 contact with the moderate elements."

23 A Um hum.

24 Q At the time this finding was drafted did you have
25 any understanding as to whether contact had already been made

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56

1 with the moderate elements or whether this was something
2 prospective?

3 A My best recollection would be that this was
4 prospective.

5 Q And what would you base that recollection on?

6 A I base that recollection on the language of the
7 finding here. I would really be purely speculating if I said
8 that, you know, in my discussions with Mr. Sporkin that he
9 had indicated that there had already been any contact. I
10 have no recollection of that.

11 Q You, I believe, probably were already asked this
12 in the deposition but let me --

13 A Let me just clarify that last point. Obviously,
14 the discussions went along the lines, something along the
15 lines of we are trying to establish, establish initiative,
16 something along -- you know, or we had tried to make efforts
17 to do this.

18 Q When you say obviously, you're gleaning that from
19 the language of the finding, I gather?

20 A Yes, I'm gleaning that from the language of the
21 finding.

22 Q Did you have an understanding as to whether the
23 arms and equipment that are referred to in Deposition Exhibit
24 No. 2 refer to any particular kinds of arms; whether, say,
25 anything from handguns to missiles were contemplated?

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57

1 A No; I don't believe that any of that was discussed
2 with me.

3 Q The initial finding that was drafted --

4 A Um hum.

5 Q -- Deposition Exhibit No. 1, refers to providing
6 arms to the government of Iran. That contrasts with
7 language in Deposition Exhibit No. 2 that refers to providing
8 arms to the moderate elements.

9 A That's correct.

10 Q Did you have any understanding as to how you
11 could provide arms to the moderate elements that would not
12 ipso facto be provided to the government of Iran?

13 A No, I had no understanding of that. And in fact,
14 that particular point puzzled me and I recall discussing
15 that with Mr. Cole, and I recall that it puzzled him
16 somewhat, too.

17 Q Let me try and sharpen the point a bit.
18 Presumably, if something as low power as handguns are being
19 provided, then you might be able to provide those to a
20 moderate faction within Iran and not have it go to the
21 government of Iran; is that correct?

22 A I would be just -- I would merely be
23 speculating on that.

24 Q Okay.

25 A I'm not an expert on the Iranian hierarchy.

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TOP SECRET
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58

1 Q I understand. I'm trying to make a point of
2 contrast here.

3 If, however, you provide a missile or a series
4 of missiles, that's the kind of item that it is going to be
5 hard for a moderate group to hold unto themselves, just in
6 terms of common sense. Would you agree with that?

7 A I would have to agree that it would be more
8 difficult to deal with a missile than with a handgun.

9 Q Okay. Now the reason I asked for that, or tried
10 to make that contrast is to see if that would assist your
11 recollection in this conversation that you had with Mr. Cole
12 as to why it was that you thought there would be a problem
13 providing weapons to a small faction that would not ipso
14 facto go to the government.

15 In other words, did you have an understanding as
16 to what kind of weapons would be involved, given that you
17 focused on that problem?

18 A It's possible that we did but I think unlikely,
19 and certainly now I have no recollection of that.

20 I might add that you talked about common sense
21 before and that, you know, it may have been that at the time
22 common sense led us to think that if this was being used in
23 an Iran-Iraq conflict it would be more than handguns.

24 Q That certainly would be an exercise of common
25 sense.

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TOP SECRET
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59.

1 A Yes.

2 Q The January 3 finding has the alternative
3 language in it, which you have recognized, on notice to
4 Congress.

5 A Um hum.

6 Q It contains in the first alternative a delay of
7 notice by the President until he shall otherwise direct.
8 Is that right?

9 A That's correct.

10 Q Now, if the law requires that a finding, notice
11 of a finding can be delayed, however, Congress is to be
12 notified in a timely fashion; is that your recollection of
13 the law?

14 A Section 501 states that Congress will be kept
15 fully -- currently informed of intelligence activities which
16 specifically include significant and anticipated
17 intelligent activities, which under the Hughes-Ryan amendment
18 includes covert action or special activities.

19 The law then says that -- and it uses this
20 language. If says, if -- well it says, I believe, in
21 extraordinary circumstances where it's -- in extraordinary
22 circumstances to protect the vital interests of the United
23 States where it is essential to limit prior notice, prior
24 notice may be limited to, or notice may be limited to, and
25 there are eight senior officials in Congress: the chairman,

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60

1 you know, ranking minority member of the Intelligence
2 Committees and four others.

3 But there is another section of another -- I
4 believe it's Part B of that section of the National Security
5 Act that says, if there has not been -- if the President has
6 not provided the notice as required under subsection (a),
7 which was the section I was just referring to, the President
8 will provide a timely -- a full report on a timely basis to
9 Congress of that.

10 Q The reason I asked that question is that the
11 formula used in this first alternative, which is "until I
12 otherwise direct," is really quite indefinite in the time
13 period.

14 Do you recall where it was that particular
15 formula came from?

16 A No, not specifically. I do know that Mr. Cole
17 and I reviewed the National Security Act very carefully to
18 make certain that this alternative language was consistent
19 with the requirements of the law.

20 Again, I am -- this is speculation, but it may
21 have been that Mr. Sporkin asked that that language be put
22 in or it may have been language that Mr. Cole and I drafted
23 ourselves.

24 Q Do you think leaving it that indistinct is
25 consistent with the law?

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TOP SECRET
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61

1 A I believe that this was consistent with the law
2 when we drafted it, as I said earlier; and as I have just
3 said, we made every effort to review the statute and ensure
4 that this type of language met the requirements of the law.

5 And there was nothing in here, or there is nothing
6 on the face of this nor nothing that was brought to our
7 attention at that time that would have indicated that
8 notification would have been --notification would not have
9 been provided for a period of time.

10 Q Is it your understanding that notice can be
11 delayed indefinitely?

12 A As you two gentlemen have pointed out earlier,
13 we are not the experts on special activities and covert
14 action in Intelligence Law Division, so I would have to
15 defer to other -- others in my office who have that
16 responsibility and that expertise on that precise question.

17 Q So the answer would be you're not really sure,
18 is that correct?

19 A I would rather let my answer stand as I have just
20 stated it.

21 Q There is another point of comparison in these
22 two exhibits, Deposition Exhibit 1 and Deposition Exhibit 2,
23 that I'd like to draw your attention to.

24 The final paragraph of Deposition Exhibit No. 1
25 provides that the assistance, and that is a wide variety of

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62

1 ~~existence~~, to Iran will be terminated if the U.S. Government
2 learns that this materiel is being used for purposes other
3 than the furtherance of Iran's war effort against Iraq.

4 That language contrasts with language in the
5 second version of the finding, January 3, which states that
6 these materiels are limited in their use essentially to the
7 Iran-Iraq conflict. This assistance will be ^{dis}continued if
8 the U.S. Government learns that these elements are misusing
9 or intend to misuse this assistance for the purpose of
10 reinstituting terrorist actions against U.S. persons,
11 property or interests, or otherwise.

12 Do you recall how that transformation occurred?

13 A No, I do not recall that.

14 Q Did you have any understanding at that time as to
15 whether, if the moderate elements used this materiel to, say,
16 repel a Soviet invasion, that that would have been considered
17 inconsistent with the purposes of this finding?

18 A I'm sorry. Repeat that question, please.

19 Q Had the Iranian moderate factions used the
20 materiel that they were going to receive under this initiative
21 to ~~repel~~, say, a Soviet invasion, would that have been
22 inconsistent, in your view, with the purposes expressed in
23 either of these two documents?

24 A We really did not discuss any hypotheticals or
25 any scenarios at that time as to when the assistance would be

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63

1 cut off. I do recall that, you know, a clear thrust of this
2 was to help prevent terrorist acts against the United States,
3 against U.S. citizens, U.S. property, any U.S. interests.

4 Q What I'm driving at with this question, and
5 hoping perhaps to refresh your recollection on the point,
6 if there was conversation on this point, is whether the
7 Soviet Union was considered to be a military threat that
8 needed to be addressed in either of these documents when
9 you were called upon to draft them?

10 A I do not recall that the Soviet Union was
11 discussed with regard to either of these documents.

12 Q In any way, shape or form, is that correct?

13 A That's correct.

14 MR. CAROME: Tim, can I follow-up with something
15 on that sentence?

16 MR. WOODCOCK: Yes.

17 FURTHER EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

18 BY MR. CAROME:

19 Q That last sentence in the January 3rd version
20 of the finding, which is Exhibit 2, refers to reinstituting
21 terrorist actions.

22 Was there any discussion to the effect that the
23 elements receiving these weapons had previously engaged in
24 terrorist actions?

25 A Well, if you're referring to Deposition Exhibit

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64

1 No. 2, and you just said the elements receiving these weapons.
2 I, to my knowledge -- I mean, I have no knowledge that prior
3 to this finding anyone was -- any moderates or anyone in the
4 Iranian government were receiving any weapons.

5 Q No. My focus is on the word "reinstating,"
6 which seems to suggest that there had been terrorist actions
7 and the goal here was to avoid reinstatement of such
8 terrorist actions by these people. And it seems to be that
9 the reinstating under discussion here is by the elements
10 receiving the weapons.

11 And I am wondering if you can recall, having
12 focused on this point, any discussion on the question of
13 whether or not the elements receiving these weapons had
14 previously engaged in terrorist acts.

15 A It's possible that there was discussion about
16 dealing with moderates who were acting somewhat more
17 moderate now, somewhat more civilized. But again, to say
18 that that kind of discussion went on with any kind of
19 certainty is pure speculation on my part.

20 Q You said that you came to understand at this
21 time that one goal of the activities contemplated was to
22 control or stop terrorism; is that right?

23 A That's correct.

24 Q Now that goal doesn't seem to appear -- I withdraw
25 that.

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65

1 A Yes, that is -- I believe that is stated in both
2 findings.

3 Q And do you recall what Mr. Sporkin said about
4 how the reduction of terrorism fit in with the activities
5 contemplated here?

6 A Not specifically. I think I've, you know,
7 answered that in terms of that there was an interest there
8 in curtailing terrorist activities against the United States.

9 FURTHER EXAMINATION ON BEHALF OF THE SENATE SELECT COMMITTEE

10 BY MR. WOODCOCK:

11 Q Do you recall any discussion of having any
12 commercial entity or private citizen play a role in the
13 transferral of weapons or the acceptance of monies from Iran
14 and putting this policy into effect?

15 A No. I recall no such discussion.

16 Q Did you have any understanding as to whether the
17 United States was going to deal directly with Iran or was
18 going to use any kind of a screen in its dealings with Iran?

19 A No, I do not, other than to reference my earlier
20 statements about recalling that there might have been a
21 reference to Israel. But other than that, no discussions of
22 third parties. I'm fairly -- I'm very confident that there
23 was no discussion of private U.S. persons or U.S. groups or
24 corporations being used to channel this.

25 Q Or private citizens from any area of the world?

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66

1 A Or private citizens; that's correct.

2 MR. WOODCOCK: I don't have any more questions.

3 FURTHER EXAMINATION ON BEHALF OF THE HOUSE SELECT COMMITTEE

4 BY MR. CAROME:

5 Q Just one small point --

6 A Sure.

7 Q -- to clean something up.

8 You talked earlier about [REDACTED]
9 finding that had been worked on in late 1985, is that right?

10 A Yes.

11 Q Did you ever learn whether or not that

12 [REDACTED] finding was signed?

13 A No, I never learned the result of that finding
14 either.

15 MR. CAROME: I don't have anything more. We can
16 go off the record.

17 (Whereupon, at 3:02 p.m., the taking of the
18 deposition was concluded.)

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Partially Declassified
Under provisions of E.O. 12958
by B. Reger, National Security Council

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2 JAN 86

Finding Pursuant to Section 662 of
the Foreign Assistance Act of 1961
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

Deposition Exhibit
DR #1

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

DESCRIPTION

Iran

Work with individuals and organizations both within and outside of Iran, and with selected foreign liaison services, and other foreign government entities, to identify, develop and promote the advancement of moderate alternative leaders in Iran. Provide intelligence, counterintelligence, communications assistance and funding to the identified potential alternative leaders to promote the establishment of a more moderate government in Iran and thus reduce the threat of terrorism directed against U.S. persons, property and interests. Protect and support these operations by conducting a program of deception, unilaterally and through third countries, which may include the use of all forms of propaganda.

Provide arms, equipment and related materiel to the Government of Iran to assist in its military operations against Iraq in order to encourage to curtailment of terrorist activity directed against U.S. targets and interests. This assistance will be terminated if the U.S. Government learns that this materiel is being used for purposes other than the furtherance of Iran's war effort against Iraq.

The White House
Washington, D.C.
Date: 2 January 1986

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CIIN #119

1128c

DEPOSITION
EXHIBIT

22-72

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3 JAN 86 #3

DRAFT

Finding pursuant to Section 482 of
the Foreign Assistance Act of 1946
As Amended, Concerning Operations
Conducted by the Central Intelligence
Agency in Foreign Countries, Other than
those intended solely for the purpose
of intelligence collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, (and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.)

-or-

[and direct the Director of Central Intelligence, or his designee, to report this finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.]

SCOPEDESCRIPTION

Iran

Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of:

(1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds, intelligence, counterintelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.

Establish contact with the more moderate elements within and outside the Government of Iran to establish their credibility with that Government by the provision of arms, equipment and related material to these elements on condition that these materials be limited in their use essentially to the Iran-Iraqi conflict. This assistance will be discontinued if the U.S. Government learns that these elements are misusing or intend to misuse this assistance, for the purpose of reinstituting terrorist actions against U.S. persons, property or interests, or otherwise.

The White House
 Washington, D.C.
 Date: 3 January 1986

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OGCR IS 0801-86

copy 2

Executive Registry 375

Declassified/Released on 29 Jan 88
 under provisions of EO 12958
 Johnson, National Security Council

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3 JAN 62

CONTROL AND COVER SHEET FOR ~~TOP SECRET~~ DOCUMENT / COLLATERALDeposition Exhibit
DR #3

ATTENTION: This form will be placed on top of and attached to each Top Secret document received by the Central Intelligence Agency or classified Top Secret within the CIA and will remain attached to the document until such time as it is downgraded, is destroyed, or transmitted outside of CIA. Access to Top Secret material is limited to Top Secret Central personnel and those individuals whose official duties require its transfer. Top Secret Central Officers who receive and/or release the attached Top Secret material will sign this form and indicate period of custody in the left-hand columns provided. Each individual who sees the Top Secret document will sign and indicate the date of handling in the right-hand columns.

[illegible]

1. The first part of the document is a header section containing the title "THE HISTORY OF THE UNITED STATES OF AMERICA" and the author "BY JAMES MADISON".

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CORRATA & AREA OFFICE	DIRECTORATE & AREA OFFICE	DIRECTORATE & AREA OFFICE	DIRECTORATE & AREA OFFICE General Counsel <i>[initials]</i>
	DATE	DATE	DATE 3 January 1960

FORM 26 ABSOLUTE PHYSICALS
4-62 26 ABSOLUTE PHYSICALS
ENTRANCE

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CIIN #117

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3 January 1986D
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YThe White House
Washington, D.C.
Date: 3 January 1986

Distribution:

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Partially Declassified/Released on 22 June 1987
under provisions of E.O. 12356
by S. Regier, National Security Council

CIIN # 117

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1128a

Partially Declassified / Released on 30 June 1988
under provisions of E.O. 12858
by B. Roger, National Security Council

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Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

DRAFT

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, (and due to its extreme sensitivity and security risks, I determine it is essential to limit prior notice, and direct the Director of Central Intelligence to refrain from reporting this Finding to the Congress as provided in Section 501 of the National Security Act of 1947, as amended, until I otherwise direct.)

-or-

[and direct the Director of Central Intelligence, or his designee, to report this Finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.]

SCOPE

DESCRIPTION

Iran Work with Iranian elements, groups and individuals, selected foreign liaison services and third countries, all of which are sympathetic to U.S. Government interests and which do not conduct or support terrorist actions directed against U.S. persons, property or interests, for the purpose of:

(1) establishing a more moderate government in Iran, and (2) obtaining from them significant intelligence not otherwise obtainable, to determine the current Iranian Government's intentions with respect to its neighbors and with respect to terrorist acts. Provide funds, intelligence, counterintelligence, training, guidance and communications assistance to these elements, groups, individuals, liaison services and third countries in support of these activities.

Establish contact with the more moderate elements within and outside the Government of Iran to establish their credibility with that Government by the provision of arms, equipment and related materiel to these elements on condition that these materials be limited in their use essentially to the Iran-Iraqi conflict. This assistance will be discontinued if the U.S. Government learns that these elements are misusing or intend to misuse this assistance, for the purpose of reinstituting terrorist actions against U.S. persons, property or interests, or otherwise.

The White House
Washington, D.C.
Date: 3 January 1977

OGCR TS-0801-86

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CIIN # 118

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CL BY 0786573
DECL 0408
EXPIRATION DATE 31 JAN 1997

Partially Declassified Pursuant to E.O. 12958
 Under provisions of E.O. 12958
 by S. Regier, National Security Council

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Finding Pursuant to Section 662 of
The Foreign Assistance Act of 1961
As Amended, Concerning Operations
Undertaken by the Central Intelligence
Agency in Foreign Countries, Other Than
Those Intended Solely for the Purpose
of Intelligence Collection

I hereby find that the following operation in a foreign country (including all support necessary to such operation) is important to the national security of the United States, and direct the Director of Central Intelligence, or his designee, to report this finding to the intelligence committees of the Congress pursuant to Section 501 of the National Security Act of 1947, as amended, and to provide such briefings as necessary.

SCOPE

DESCRIPTION

Iran

Work with individuals and organizations both within and outside of Iran, and with selected foreign liaison services, and other foreign government entities, to identify, develop and promote the advancement of moderate alternative leaders in Iran. Provide intelligence, counterintelligence, communications assistance and funding to the identified potential alternative leaders to promote the establishment of a more moderate government in Iran and thus reduce the threat of terrorism directed against U.S. persons, property and interests. Protect and support these operations by conducting a program of deception, unilaterally and through third countries, which may include the use of all forms of propaganda.

Provide arms, equipment and related materiel to the Government of Iran to assist in its military operations against Iraq in order to encourage to curtailment of terrorist activity directed against U.S. targets and interests. This assistance will be terminated if the U.S. Government learns that this materiel is being used for purposes other than the furtherance of Iran's war effort against Iraq.

The White House
 Washington, D.C.
 Date: 2 January 1986

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CIIN #119

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DRAFT

Finding Pursuant to Section 662 of the Foreign Assistance Act of 1961, As Amended, Concerning Operations Undertaken by the Central Intelligence Agency in Foreign Countries, Other Than Those Intended Solely for the Purpose of Intelligence Collection

I have been briefed on the efforts being made by private parties to obtain the release of Americans held hostage in the Middle East, and hereby find that the following operations in foreign countries (including all support necessary to such operations) are important to the national security of the United States. Because of the extreme sensitivity of these operations, in the exercise of the President's constitutional authorities, I direct the Director of Central Intelligence not to brief the Congress of the United States, as provided for in Section 501 of the National Security Act of 1947, as amended, until such time as I may direct otherwise.

SCOPE

Hostage Rescue -
Middle East

DESCRIPTION

The provision of assistance by the Central Intelligence Agency to private parties in their attempt to obtain the release of Americans held hostage in the Middle East. Such assistance is to include the provision of transportation, communications, and other necessary support. As part of these efforts certain foreign material and munitions may be provided to the Government of Iran which is taking steps to facilitate the release of the American hostages.

All prior actions taken by U.S. Government officials in furtherance of this effort are hereby ratified.

Partially Declassified/Released on 22 June 1981
under provisions of E.O. 12056
by B. Reger, National Security Council

The White House
Washington, D.C.

Date:

CIIN #120

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4242

Committee Hearings
of the
U.S. HOUSE OF REPRESENTATIVES



Partially Declassified/Released on 14 JAN 88
under provisions of E.O. 12356
by K. Johnson, National Security Council

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Dotson/drg
Take #1

1
2
3
4 DEPOSITION OF WILLIAM PAUL ROSENBLATT
5

6 Friday, September 25, 1987
7

8 U.S. House of Representatives,
9 Select Committee to Investigate
10 Covert Arms Transactions with Iran,
11 Washington, D.C.
12
13
14

15 The committee met, pursuant to call, at 9:10 a.m.,
16 in Room B-336, Rayburn House Office Building, Pamela
17 Naughton presiding.

18 Present: Pamela Naughton, on behalf of the House
19 Select Committee.

20 Robert Genzman, on behalf of the House Select Committee.

21 Thomas McGough, on behalf of the House Select
22 Committee.

23 Also present: Elizabeth B. Anderson, on behalf of the
24 witness.
25

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1 Whereupon,

2 WILLIAM PAUL ROSENBLATT,

3 was called as a witness on behalf of the House Select Com-
4 mittee and having been duly sworn, was examined and testified
5 as follows:

6 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
7 COMMITTEE

8 BY MS. NAUGHTON:

9 Q Could you state your full name for the record.

10 A William Paul Rosenblatt. R-o-s-e-n-b-l-a-t-t.

11 Q Could you state your title please?

12 A Assistant Commissioner Enforcement, United States
13 Customs Service.

14 Q My name is Pamela Naughton, Staff Counsel for the
15 House Select Committee to Investigate Covert Arms Trans-
16 actions with Iran. I would ask those present in the room
17 to state their names and title.

18 MR. MC GOUGH: Thomas McGough, Assistant Counsel
19 to the House Select Committee.

20 MR. GENZMAN: Robert W. Genzman, Associate Minority
21 Counsel to the House Committee.

22 MS. ANDERSON: Elizabeth Anderson. I represent
23 Mr. Rosenblatt.

24 BY MS. NAUGHTON:

25 Q Now, Mr. Rosenblatt, we interviewed you a while

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1 ago on basically three different areas, and I want to go
2 through those in perhaps a little more detail today. Hope-
3 fully, we can take these areas chronologically, but complete
4 the subject matter before we turn to another.

5 The first issue I would like to turn to, and I
6 hope this is the correct chronological order, is the Maule
7 Aircraft investigation, and it is M-a-u-l-e. If we can
8 start with a couple preliminaries first, could you tell us
9 in your capacity what your functions are at Customs?

10 A As the Assistant Commissioner for Enforcement, I
11 am responsible for all enforcement investigative matters as
12 it relates to the jurisdiction authorized by the Customs
13 Service in various United States codes. There are approximate-
14 ly 400 laws that we enforce.

15 Q This enforcement would include criminal prosecutions?

16 A Criminal and civil, yes.

17 Q Now, prior to the investigation concerning Maule
18 Aircraft, did you have any contact with Colonel North?

19 A No.

20 Q Could you tell me how this particular investigation
21 came to your attention?

22 A Approximately middle to latter part of August,
23 maybe even beginning of September, I had occasion to be in
24 the Commissioner of Customs, William VonRabb's, office, at
25 which time he mentioned to me that he had a conversation with

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1 Colonel North relative to an inquiry made by Colonel North
2 on Maule Aviation, and the way the Commissioner put it to
3 me, that according to Mr. North, or Colonel North rather, we
4 were being very heavy-handed in our investigative pursuit
5 of the case in the Atlanta, Georgia area, and, therefore,
6 the Commissioner wanted me to look into it to determine
7 whether or not Colonel North's contentions were accurate or
8 not.

9 Q Did the Commissioner tell you what Colonel North
10 had told him?

11 A In substance. I don't believe in verbatim -- the
12 Commissioner and I do not operate that way that we would
13 state verbatim the conversation.

14 Q Did the Commissioner tell you Colonel North's
15 concern was over the substance of the investigation or of the
16 manner in which the agents were going about the investigation?

17 A The manner in which the investigation was being
18 conducted.

19 Q Exactly what do you mean when you say manner?

20 A In other words, being too aggressive in conducting
21 their investigation.

22 Q Where was the investigation taking place?

23 A I believe in what I consider the Atlanta, Georgia
24 area.

25 Q Which region is that for Customs?

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1 A The Southeast Region.

2 Q Who is the Customs person in charge of the South-
3 eastern Region?

4 A The Regional Commissioner is George Heaveya

5 Q Would you spell that?

6 A H-e-a-v-e-y.

7 MS. ANDERSON: At the time.

8 THE WITNESS: Oh, at the time? Edward Kwas at
9 the time.

10 BY MS. NAUGHTON:

11 Q Could you spell that, please?

12 A Edward and then K-w-a-s.

13 Q Do you know what Commissioner VonRabb's relation-
14 ship had been with Colonel North up to this time?

15 A No, I don't.

16 Q Did the Commissioner ever speak to you about
17 Colonel North's involvement or connection with General
18 Singlaub?

19 A Not that I can recall.

20 Q Do you recall any discussion of a helicopter
21 purchased named Lady Ellen?

22 A That I recall.

23 Q What can you tell me about that?

24 A Apparently, there had been some conversation between
25 the Commissioner and either General Singlaub or possibly

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1 Colonel North, I am not sure which, relative to the Lady
2 Ellen. Customs had detained the helicopter in the South
3 Florida area, I believe Fort Lauderdale. We were determin-
4 ing, based on that detention, whether or not State Department
5 had issued a license for the exportation of that helicopter.
6 We subsequently determined that it had not been, a license
7 had not been issued, and, therefore, the Commissioner was
8 advised of that, and I believe General Singlaub was subse-
9 quently advised, I did not personally advise him, I don't know
10 who did, that a license was required.

11 I subsequently found out that a license was issued
12 for the exportation of that helicopter by, I presume, General
13 Singlaub.

14 Q The exportation office, not the issuance of the
15 license?

16 A The license was issued for the exportation of the
17 helicopter.

18 Q Do you know what Colonel North's connection was
19 to this helicopter?

20 A No, I do not.

21 Q Do you know if he communicated to the Commissioner
22 the desire for a license to be issued?

23 A No, I do not.

24 Q Do you know if he had any input?

25 A I do not.

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1 Q Now, could you tell us how it is the Maule
2 investigation began, what precipitated the investigation?

3 A To the best of my recollection, I believe it was
4 CBS News had a segment of a news broadcast wherein it inter-
5 viewed a pilot who claimed to have ferried aircraft from
6 Maule to [REDACTED]

7 The Department of Justice was watching this TV
8 broadcast, and on the basis of this broadcast, requested
9 Customs to conduct an appropriate investigation.

10 Q Were they ferried into [REDACTED] or into Nicaragua

11 [REDACTED]
12 A I think it was [REDACTED] and Nicaragua specifically.
13 [REDACTED]
14 [REDACTED]

15 Q At any rate, one of the things you wanted to
16 determine from the investigation was whether or not it had
17 been ferried into either [REDACTED] or Nicaragua?

18 A That is correct.

19 Q Was Joe Tafe the person at the Department of Justice
20 that asked Customs to look into the case?

21 A I am not absolutely positive. I know in our
22 initial discussion, I probably used the name of Joe Tafe,
23 since that is the individual I am most familiar with over
24 at the Department of Justice, to get involved in these matters.
25 It could well have been some other individual. I wouldn't

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1 necessarily know that detail because it would come over in
2 writing and go directly to our Strategic Investigations
3 Division.

4 Q Now, what kind of aircraft was it that was the
5 subject of this investigation?

6 A It was my understanding there were -- nomenclature
7 was Super Piper cubs or Seneca Piper aircraft.

8 Q Can you tell me what type of aircraft that is?

9 A I am not absolutely positive, but I gather they are
10 single-engine high-wing aircraft.

11 Q Now, could you tell us precisely what violations of
12 law would Customs be looking at in this type of investigation?

13 A Basically, there would be two segments or sections
14 of law we would be concerned with: one, Arms Export Control
15 Act, whereby these aircraft would have what we call military
16 hard points that require a State Department License; secondly,
17 whether or not there was some special equipment on it, such
18 as a STOL kit, S-T-O-L, which stands for short takeoff and
19 landing equipment, which would require a Commerce Department
20 license.

21 Looking back on this, of course, there is also the
22 aspect of a foreign asset control license to an embargoed
23 country such as Nicaragua. We were fairly confident right
24 from the inception that the aircraft was practically in-
25 capable of having what we call military hard points put on it,

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1 not beyond the realm of possibility, but not probable,
2 because of a variety of technical aspects. So, basically,
3 we were dealing with two areas, whether or not it required a
4 Commerce license or -- and/or required a license from the
5 foreign assets control because of an embargoed country.

6 Q Also, if on the form the actual point of destina-
7 tion was erroneous, in other words, if the plane actually
8 was intended to go or did indeed go to Nicaragua but a
9 different end-user or different point of destination had
10 been put on the government form, would that also have been
11 a falsifying?

12 A Yes, we could have gone after that too.

13 Q When you say hard points, would such a hard point,
14 for instance, be a gun mount?

15 A Yes, that would be correct.

16 Q After Commissioner VonRabb asked you to or told you
17 about his conversation with North, what did he ask you to do
18 about it?

19 A Just to look into it and ascertain whether our
20 people were being over-aggressive about the investigation,
21 and the general nature of our investigation and our pursuit.

22 Q And did you call Colonel North?

23 A I did later that day, the same day.

24 Q Had you spoken to him ever before?

25 A No.

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1 Q What did you tell North when you called him?

2 A That I was calling him in connection with his
3 conversation with the Commissioner relative to the Maule
4 investigation.

5 At that time, he thanked me, and he indicated that
6 our people were being very aggressive and were asking for
7 all kinds of records from Maule relative to the shipment of
8 these aircraft. He indicated at that time that the Maule
9 people were good guys and that we were basically, these are
10 my words, not his words, that we were barking up the wrong
11 tree.

12 At that time, I indicated, I said, well, are our
13 people being overly-aggressive, or exactly what was wrong
14 with our people's conduct? And he said, no, you know, our
15 people had been courteous, but that we were demanding all
16 kinds of records from Maule, and I indicated to him, I
17 said to him, look, the easiest way for us to determine any
18 violations of law, and I went into the potential violations of
19 law as I have already done with you on the exposure and what
20 we needed to do was get documentation as quickly as possible
21 and photographs of these aircraft so we could determine
22 whether or not there was a STOL kit on these aircraft, which
23 would require a license, and also shipping documents and
24 invoices, purchase orders relative to these four aircraft.

25 It was at this time, he indicated to me that one

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1 of the aircraft had crashed, it was located [REDACTED]
2 and that the other three were over [REDACTED] being used
3 for shipments of medical supplies and other humanitarian
4 purposes.

5 And I said, well, if that's truly the case, then we
6 would be able to clear this matter up rather rapidly if he
7 could provide me, since he had offered to provide me, the
8 documentation that I had enumerated earlier in my conversation
9 with him.

10 Q Well, did his volunteering of the information that
11 one had crashed and two were [REDACTED] and so forth --

12 A Three.

13 Q Three were [REDACTED]

14 A Yes.

15 Q Were any [REDACTED]

16 A One crashed [REDACTED] a total of four.

17 Q Did he say it crashed [REDACTED]

18 A The best I can remember, it crashed and was in

19 [REDACTED] Whether it crashed in [REDACTED] or not, I
20 can't tell you.

21 Q Did he impart this information to you during that
22 very first phone call you had with him?

23 A As best as I can recollect, yes.

24 Q My notes of our interview indicated that he
25 volunteered that information to you at a subsequent

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1 conversation, but, again, this is your deposition, and this
2 is what is going to be on the record. So, to the best of
3 your recollection, was this all a part of that same initial
4 conversation?

5 A I think you are correct, I think it was in the
6 second telephone conversation we had about it, because it
7 was also during that period of time he offered that one of my
8 agents could go down and see the aircraft^f, and that's where
9 we got into him detailing to me where the aircraft were
10 located.

11 Q If we can step back to the first conversation, did
12 he tell you that the planes were being used to carry medical
13 and humanitarian supplies?

14 A That is what he indicated to me.

15 Q Did he mention who actually purchased the aircraft?

16 A No, I don't recall him mentioning that, no.

17 Q If we can explain the term, "Maule", is that the
18 name of a company or the name of an aircraft?

19 A That's the name of a company.

20 Q What does the company do, to your knowledge?

21 A Manufactures and builds aircraft, assembles air-
22 craft.

23 Q Maule was not the purchaser of the aircraft, it
24 sold it to someone else?

25 A That is correct.

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1 Q Colonel North did not give you the name of the
2 individuals or corporations that purchased the aircraft?

3 A No. I didn't think he would know that information,
4 that is why I was asking for the purchase orders, the invoices,
5 the documentation associated with a sale, particularly this
6 sale of four aircraft.

7 Q In any of your conversations with Colonel North, did
8 he ever mention Richard Secord was involved with this air-
9 craft?

10 A Not that I recall.

11 Q Do you want to go off the record?

12 A Yes.

13 (Discussion off the record.)

14 BY MS. NAUGHTON:

15 Q If we can go on the record.

16 Would you answer that question and tell me what you
17 said off the record?

18 A To the best of my recollection, Colonel North did
19 not mention Mr. Secord's name at that time. However, later
20 on, when I acquired some records from Colonel North, I
21 happened to have observed the name, Secord, on one of the
22 documents provided to me.

23 Q And did he provide you the documents sometime in
24 November of 1986?

25 A Yes. My best recollection of that would have been

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1 November 17, the morning of November 17, they were picked up
2 by my Enforcement Assistant at my direction after I had a
3 telephone conversation with Colonel North.

4 Q Could you explain to me when -- at the time that
5 you first made the phone call to Colonel North, what did you
6 understand his job to be at the NSC? Who did you understand
7 that he was?

8 A That he was a -- my impression was he was a high-
9 ranking official within the National Security Council.

10 Q Did you know what it is he did there?

11 A No.

12 Q Do you ^{know} what accounts he had?

13 A No.

14 Q Do you know what his -- did he explain to you what
15 his involvement was at all in this whole issue of this air-
16 craft?

17 A No. But that's not unusual for me to get calls or
18 even a Commissioner to get calls in our capacity, nor was
19 it unusual for me when I was working in the field as a
20 special agent in charge to get a call from different indi-
21 viduals. Sometimes they were businessmen, sometimes they
22 were congressional staffers, making inquiry about a case or
23 making representations about individuals or corporations.

24 It's not the first time I have heard the term
25 "good guys" by people that would call up and make an inquiry

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1 about an investigation being conducted by special agents of
2 U.S. Customs.

3 Q Did Colonel North tell you how he learned this
4 information?

5 A No. However, let me qualify my answer. During the
6 course of that initial conversation and the subsequent con-
7 versation, it became obvious to me that somebody in Maule
8 had communicated either directly with Colonel North or through
9 an intermediary. Otherwise how would he know our people were
10 conducting an investigation?

11 Q Did you discuss any other case with Colonel North
12 on that initial conversation?

13 A No.

14 Q We will discuss later on what I will refer to as
15 the Kelso case.

16 Did you discuss that with Colonel North during that
17 initial conversation?

18 A Not at that time, no.

19 Q At that point, that first conversation, had a grand
20 jury subpoena actually been served to Maule?

21 A No.

22 Q Did you and Colonel North discuss the service of
23 such a subpoena?

24 A No.

25 Q After speaking with North, what did you do?

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1 A Subsequent to speaking with Colonel North, I called
2 Mr. Leon Guinn, who is the Assistant Commissioner for En-
3 forcement, Southeast Region, inquired about the case, the
4 Maule investigation specifically, asked him what the status
5 was. He informed me that Maule Aviation officials had been
6 uncooperative in the course of our investigation and that the
7 special agent and the special agent in charge were discussing
8 with the Assistant U.S. Attorney assigned to the case, or
9 at least the Assistant U.S. Attorney, and our people were
10 discussing the matter about going for a grand jury subpoena.

11 I indicated to Leon that I had a ^{soy} ~~source~~ whereby I
12 thought I could expedite the investigation and make a
13 preliminary determination whether we had a violation or did
14 not have a violation and how much more we should pursue this
15 matter. I would like to pause here in my deposition to
16 point out to you, we have gotten -- we, the U.S. Customs
17 Service -- has gotten a lot of allegations about various
18 materials being sent to the contras. Principally, we got
19 these leads from the Federal Bureau of Investigation, and
20 invariably when we pursued them, the allegations were either
21 unfounded or it was difficult, if not impossible, to pursue
22 them, because you would have to go into Nicaragua. Our agents
23 were just not allowed into Nicaragua.

24 So I indicated to Mr. Guinn, if he had no objections,
25 I would like to utilize this source and see if we can get

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1 these documents to make a determination of whether to pursue
2 it and how intense we should pursue it.

3 Q Did you tell Mr. Guinn who your source was?

4 A No, I did not.

5 Q Any reason why not?

6 A I didn't think he needed to know.

7 Q Did Guinn, in effect, tell you that Maule Aircraft
8 was stonewalling the investigation and not being cooperative?

9 A Yes. I have already indicated that. That's the
10 term I used during our interval. I think I basically said the
11 same thing, they were being very uncooperative.

12 Q When is the next time that you communicated with
13 Colonel North regarding this investigation?

14 A I would say a couple weeks after my initial tele-
15 phone conversation with him, because I had not received any
16 documents or any call from him, so I pursued the matter by
17 calling him --

18 Q If I can stop you there for one second, did you
19 ever send any written materials to Colonel North, any notes,
20 any letters, anything of that type?

21 A No.

22 Q Other than the documents provided to you on this
23 investigation, did he send to you any memoranda, letters,
24 notes, any documents?

25 A No. We are jumping ahead now. Other than what

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1 we have discussed at our initial interview.

2 Q That he delivered on November 14?

3 A Well, he or -- what is his name -- Owens
4 delivered. I don't want to jump ahead. You have to guide
5 this thing.

6 Q Did you make any contemporaneous notes during any
7 of your conversations with Colonel North?

8 A No.

9 Q Did you make any notes afterwards or any memoranda
10 of your conversations with Colonel North?

11 A No.

12 Q Did you keep any logs which would indicate when you
13 spoke to Colonel North?

14 A The only thing that I kept was the telephone number
15 for Colonel North's office and also the telephone number for
16 Mr. Owens and the name of the firm, if you will, or the name
17 that Mr. Owens gave to me for his particular position there
18 too.

19 Q You said approximately two weeks later you called
20 North to ask him where the documents and photographs were.
21 What did he tell you about them?

22 A That he was still trying to obtain them from Maule.
23 This is when he offered to have me send an agent down [REDACTED]
24 [REDACTED] because that was one of the require-
25 ments I wanted with respect to our initial conversation on it,

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1 because this would give us a good idea whether or not it
2 had a STOL kit, also whether or not it had hard points. He
3 was a little apologetic he had not gotten the documents to
4 me during the intervening two weeks. I reiterated that the
5 sooner we got the documents, the sooner we would be able to
6 make a determination. And if he could get the documents, then
7 we would be proceeding with our investigation.

8 Q Had Colonel North told you that all of the planes
9 had been exported to [REDACTED]

10 A I am not positive, but I recollect that there was a
11 reference to [REDACTED]

12 Q And he told you one had crashed, but he was not
13 sure where, is that correct?

14 A Yes, I am not sure where it crashed other than he
15 stated it had crashed, it was [REDACTED] Based on what
16 one would assume, without asking a follow-up question, that
17 it had crashed [REDACTED] Technically, from the way
18 you are asking me the question, it could have crashed any
19 place, and someone could have ferried it over and put it in
20 [REDACTED]

21 Q As far as you understood, the remnants of the
22 airplane --

23 A Yes, the remnants of the airplane were [REDACTED]
24 [REDACTED]

25 Q I see.

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1 A He used the term "crashed" with me, okay?

2 Q And the remaining three were [REDACTED]

3 A [REDACTED]

4 Q Did he mention to you how it crashed?

5 A No.

6 Q Did he offer to arrange for your agents to view
7 the aircraft in Central America?

8 A Yes. And I asked him whether this had to be done
9 openly or otherwise, and he said, no, it could not be
10 openly, and I said, well, we can't get involved in that,
11 and I just courteously asked him to get the documents and
12 photographs I had requested in my initial conversation with
13 him to me as quickly as possible.

14 Q Did he explain to you why your agents would not be
15 able to go down there overtly and check into the embassy and
16 do things according to regular procedure?

17 A No. And I didn't ask him.

18 Q Did you find this to be suspicious?

19 A It is an interesting phenomena. There is times
20 when various agencies that are stationed in foreign countries
21 will say, "Gee, we have no problem", and sometimes the
22 embassy will say, "No, we don't want you down" or vice-versa,
23 the embassy has no problem but the agency may have a problem
24 with us coming down, and we have to work all these things
25 out.

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1 I didn't find it unusual that he wouldn't explain
2 it. You have got to remember that I am -- I was somewhat
3 conversant with current events about [REDACTED] the
4 Nicaraguan matter, and if he said that he had -- my agent
5 would have to go down [REDACTED] not in the official
6 capacity as an agent, I assumed there had to be a reason
7 that he was knowledgeable about, and since he was with the
8 NSC, I had to respect that.

9 Q Did Colonel North, after this conversation, which
10 is approximately two weeks after the first, and mid-Sep-
11 tember, did he ever call you again about this investigation,
12 or was it always a matter of you checking back?

13 A As it relates to this investigation, it was always
14 me calling him.

15 Q And then after that second conversation, do you
16 recall if you called him again? This would be after mid-
17 September.

18 A Relating to this investigation?

19 Q Yes.

20 A Yes.

21 Q Do you recall approximately how many times?

22 A I would estimate, it had to be either three or
23 four times, I can't tell you exactly was it three or four,
24 but it was one of the two.

25 Q During this period ^{of} if time, were you also in contact

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1 with the Southeast Region telling them what was going on, or
2 were they inquiring what they could do next, that sort of
3 thing?

4 A I would say approximately three to four weeks after
5 my initial telephone conversation with Mr. Guinn, we were
6 having a telephone conversation about other Customs matters,
7 and this issue came up. And as a result, I am confident
8 that it stimulated my making the third phone call, if you
9 will, and, once again, when I called Colonel North, he was
10 very apologetic this time that he had not gotten the material
11 to me, he told me once again he was going to get right on it.
12 And I would say that this had to be near the end of September
13 by this time.

14 There was subsequent conversation with Mr. Guinn in
15 a conference call, and this would have been in November, I
16 would say mid-November, whereby we had a conference call,
17 he and I, along with Clark Settles, who was a special agent
18 in charge in Charleston, and both of them were inquiring
19 about the investigation, and I said, gee, I am surprised that
20 you don't already know, I already told Strategic to notify
21 you to continue the investigation, and I related to him at
22 that time that based upon the documents submitted by my
23 source and upon review of those documents, that they were
24 very shallow, they were not responsive to answer the questions
25 that needed to be answered to determine whether or not a

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1 violation had occurred, that I had sent those documents up
2 to our Strategic Division and that their case agent from
3 Atlanta had reviewed them, along with the Division Director
4 in Strategic, and we all agree that they, they did not
5 address the issue, and they were going to continue to conduct
6 the investigation.

7 Q That was sometime in mid or late November?

8 A It was mid-November.

9 Q Now, between that time, then, from late September
10 until mid-November, did you continue to try to get the docu-
11 ments from Colonel North?

12 A Yes. Like I said, there had to be some time in
13 October, and I am not sure, probably middle of October; that
14 I called again specifically about this Maule investigation.

15 Q If I can freeze you in time for a moment of that,
16 let's say October of 1986. In October of 1986, if you had
17 been told the name Richard Secord, would that have run any
18 bells with you at all concerning other investigations?

19 A Yes, the name, Richard Secord, not only in con-
20 junction with the investigation, but it was a name appearing
21 in the paper, so I was familiar with the name, Richard
22 Secord.

23 Q When it was appearing in the paper, was that in
24 connection with possible contra supply programs?

25 A Yes.

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1 Q Do you ever recall discussing the Maule investiga-
2 tion with Colonel North at the same time or in the same
3 conversation which you were discussing the Southern Air
4 Transport investigation? I know we are jumping ahead a
5 little bit.

6 A I am not absolutely positive of this, but I think
7 that at one time when I was discussing the Southern Air
8 Transport, I had mentioned to, or not only mentioned, but I
9 reiterated to Colonel North that I was still waiting for the
10 documentation on the Maule, and I wasn't as courteous as I
11 was in the previous conversations because I was getting very
12 exacerbated because we are talking six to eight weeks, and I
13 still don't have documentation. I was put out.

14 Q Now, in early November, I believe, you were
15 visited by an attorney from the Public Integrity Section of
16 the Department of Justice named Ralph Martin, who had been
17 assigned to review contra-related cases and review of the
18 House Judiciary Committee's inquiry to appoint Independent
19 Counsel to study the whole problem after the Hasenfus crash
20 in October of 1986. Do you recall that meeting?

21 A Yes.

22 Q Do you recall what Mr. Martin asked you about?

23 A He asked -- he had a letter that contained a, quite
24 a few names in a letter, and he asked me whether or not I was
25 familiar with some of those names, or any of those names.

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1 Q Okay. Now, who was the letter from?

2 A I think it was from Congressman or Senator Kerry
3 going over to the Attorney General.

4 Q Did that list of names include Richard Secord?

5 A It may have. I don't recall. I mean, for me to
6 look at that letter, with all the names on it, I don't keep
7 all these names in my head. That meeting, by the way, so we
8 get it on the record, it was not only Mr. Martin, but there
9 was another attorney there as well. There were people from
10 my office there specifically --

11 Q Excuse me, when you say another attorney, you mean
12 from the Department of Justice?

13 A Yes.

14 Q Was that Marshall Jarrett?

15 A It could have been. I just don't remember the
16 name.

17 From Customs, Rafael Lopez, who was our Branch
18 Chief for Munitions, as well as Gary W-a-u-g-h, who was our
19 Strategic Division Director -- Branch Chief, rather. At the
20 time I asked ^{Ray} Ray to make sure they go against all the names
21 against our files, and as I was out of town, I was going down
22 to the Southwest, as well as overseas as best I can recollect
23 now, I wanted to make sure that we were responsive to Mr.
24 Martin's inquiry and whether or not we had any active
25 investigations or any kind of inquiries or anything like that,

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1 I wanted that to be responsive.

2 In my absence, a memorandum was prepared by Mr.
3 Lopez, signed by Mr. Lopez, going over to Mr. Martin with
4 the result of our inquiry against our indices, whether or not
5 these names meant anything to us.

6 Q Aside from the names, did Mr. Martin inquire about
7 any ongoing investigations you had relating to the contras?

8 A Yes. And I believe again Mr. Lopez discussed with
9 him whatever investigations we may have had. I believe he
10 was talking about active investigations. And as I have
11 already stated in this deposition, there was a number of
12 allegations over the course of the last several years about
13 arms going down to the contras and arms going to the
14 Sandinistas that they were compelled to check out. In most
15 of the cases, I would say invariably they proved to be un-
16 founded.

17 Q Did you tell Mr. Martin anything about the Maule
18 Aircraft investigation?

19 A No, I did not.

20 Q Why not?

21 A Because Ray Lopez could just have easily have
22 talked to him about that.

23 Q Did Mr. Lopez know about your communications with
24 Colonel North?

25 A No, he did not know about my communications with

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27

1 Colonel North, but they were aware that I was dealing with
2 a source in hopes to get information; that had no bearing
3 on whether or not we told Martin whether or not we had an
4 investigation. It was no secret that we had an investiga-
5 tion, that was open and above board.

C Q You didn't tell Mr. Martin about the Maule investi-
7 gation, is that correct? You left that to Mr. Lopez?

8 A I am not saying I did or didn't. I don't recall
9 if I did or did not mention the Maule. I could well have.
10 If I didn't, it wasn't because I was holding something back,
11 it was an open investigation on our inventory that would be
12 easily discernible if the Maule name came up or insofar as
13 asking whether or not we had an active investigation. That
14 would be something that would be known not only to me but
15 also to my Branch Chiefs and Division Directors.

16 Q In answer to my question, do you remember
17 specifically discussing the Maule investigation with Mr.
18 Martin?

19 A At this time, no, I do not remember, but I want to
20 make sure it is clear on the record that if the Maule
21 investigation had come up in the context of our conversation,
22 Mr. Martin would have been advised.

23 Q Would you have told Mr. Martin -- well, that is
24 speculative. Did you tell Mr. Martin about your conversation
25 with Colonel North regarding this investigation?

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1 A No.

2 Q Regarding the Southern Air Transport investigation,
3 was that discussed with Mr. Martin at this meeting?

4 A It may have been, because -- if you could refresh
5 my memory with respect to the date you are talking about,
6 Mr. Martin came over to my office, it would be helpful.

7 Q I believe it is around November 2.

8 A If it is November 2, then I believe the SAT
9 happened around October 5, if I am not mistaken. So if they
10 were pursuing that, that -- I cannot believe it would not
11 come up in our conversation, okay? And if it did, even if
12 it didn't, I would have indicated we were conducting an
13 investigation, which we were.

14 Q Do you recall whether or not you told Mr. Martin
15 about your conversations with Colonel North regarding the
16 SAT investigation?

17 A I don't recall, but in all likelihood, I probably
18 did not say anything about my conversation with Colonel North.

19 Q When you say you probably did not, on what would
20 you base that statement?

21 A I don't recall Colonel North's name ever coming up
22 in a conversation, in my conversation with Mr. Martin.

23 Q Mr. Martin did not bring it up?

24 A No.

25 Q You did not bring it up?

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29

1 A No.

2 Q Was there any discussion with Mr. Martin regarding
3 the Kelso case?

4 A I don't recall. I don't believe so. I can't
5 believe that would come up, because I did not perceive that
6 Kelso case as a contra matter. Okay? If you want to get
7 into it, we can get into it, but it will be out of sequence.
8 To me, that's more of an informant situation, okay, vis-a-vis
9 allegations of counterfeit money and narcotics allegations
10 relative to the Drug Enforcement Administration, and the
11 status of Kelso, subsequent to all that and him going to
12 this farm or ranch and going back to the United States, you
13 know, I happened to be in Costa Rica, but I don't see that
14 fitting into the Kerry inquiry.

15 Q When you received the documents from Colonel North
16 on November 14, is that the first --

17 A Go over that again. When I received the documents
18 from?

19 Q Colonel North.

20 A What date?

21 Q Fourteenth.

22 A The 17th I believe I said.

23 Q Did they indicate that Udall Corporation was in-
24 volved in the purchase of the aircraft?

25 A Within the documents I recall seeing the name,

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30

1 Udall, on a piece of documentation. What that documentation
2 was, I do not recall at this late date.

3 Q Is that the first time that you were aware that
4 Udall was involved in the Maule Aircraft investigation?

5 A In the Maule Aircraft investigation, yes.

6 Q In other words, Colonel North did not tell you
7 about Udall?

8 A No, ma'am.

9 Q Now, the story regarding the Iranian arms sales
10 broke on or about November 3 or 4, 1986. I believe you told
11 us in your interview on or about November 10, you discussed
12 your concerns regarding Colonel North's activities with the
13 Commissioner, is that correct?

14 A That is correct.

15 Q Can you tell us why you discussed it and what you
16 discussed?

17 A That would bring us back to the telephone conversa-
18 tion that I had on or about October 29 or 30.

19 Q With whom?

20 A We are talking about SAT, are we not?

21 Q No. Let me rephrase my question. When you went
22 to speak to the Commissioner on November 10, were your
23 concerns centered around the SAT investigation or the Maule
24 Aircraft investigation?

25 A Primarily the SAT. And my conversation that I had

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31

1 with Colonel North on or about the evening of October 29 or
2 30.

3 Q Okay. Then let me -- let's stay with Maule, and
4 let's skip ahead.

5 A I don't want to mislead you, that doesn't mean I
6 didn't mention to the Commissioner about Maule.

7 Q Sure.

8 A That wasn't what drove me to meet with him and
9 discuss my conversations and dialogue with Colonel North.

10 Q I understand. You agreed with the Commissioner,
11 correct me if I am wrong, to meet with Mr. Kimmet and dis-
12 cuss the issues with him, is that correct?

13 A It is not a question of agreeing, this is what the
14 Commissioner advised me, told me to do. It is not a question
15 of agreeing.

16 Q Can you tell us who Mr. Kimmet is?

17 A He is the General Counsel, United States Treasury
18 Department.

19 Q Now, when was your scheduled meeting to be with
20 Mr. Kimmet?

21 A The 17th, around 3:00, 3:00, 3:30 in the afternoon.

22 Q Did you talk to Colonel North the morning of
23 November 17?

24 A Yes. I already indicated I did.

25 Q Regarding the Maule case, what, if anything, did

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32

1 he tell you?

2 A I initiated the phone call in an effort to obtain
3 the documents that I had requested back the end of August,
4 beginning of September on Maule, and I was, quite frankly,
5 surprised during that conversation that Colonel North said
6 he had the documents and that he was waiting to give me the
7 documents. I indicated to him that I had a pretty busy
8 schedule that day, and I would like to send over my Enforce-
9 ment Assistant to get a copy. He said, well, you could have
10 the original. I told him, no, I did not want the originals
11 of the documents, that I wanted the originals of the documents
12 to be given to the investigative agent by Maule and that I
13 would like to have a copy.

14 Arrangements were made between Colonel North and
15 myself to have my Enforcement Assistant go over and pick
16 up a sealed envelope which later turned out to be a copy of
17 documents -- I presume a copy of documents, and as I said, I
18 reviewed them, and subsequent, not that same day, maybe that
19 evening or later, and then sent them up to my Strategic
20 Investigations Division with word I wanted the investigation
21 to resume.

22 Q What, in your opinion, was deficient about the
23 documentation that Colonel North had provided?

24 A It did not clearly show what I would consider
25

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33

1 purchase orders, and particularly destination of the air-
2 craft. There were no photographs included in the package,
3 which I believe were vital to determine whether or not a
4 Commerce license was required.

5 Q Did the documents indicate who all of the purchasers
6 were? That is, there were four aircraft --

7 A I don't recall.

8 Q Now, when you discussed this with Colonel North on
9 the morning of November 17, did you tell him that you had
10 talked to the Commissioner?

11 A No.

12 Q Did you tell him that you were going to meet with
13 Kimmet?

14 A No.

15 Q Any reason why you didn't?

16 A I didn't think it was very prudent since -- you
17 recall, in our earlier discussion, I indicated to you when
18 I talked to Colonel North on the evening of October 29 or 30,
19 when he was out of the country, that I asked him when he
20 came back that he and I and the Commissioner had to get
21 together. When I called on the 17th, it was obvious to me
22 he had been in town for some time and for some reason had
23 not contacted me or the Commissioner about getting together.

24 My main concern was that I wanted to see if I could
25 get the documents that he had indicated that he would get to

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34

1 me for the Maule investigation. Therefore, when I called
2 him on the morning of the 17th and I, in my conversation
3 with the Commissioner on the 10th of November, where he
4 directed me to meet with Mr. Kimmet to discuss this whole
5 matter and get some advice from him, it became clear to me
6 that some of my concerns may have been somewhat valid if the
7 Commissioner was asking me to go over and discuss the matter
8 with Mr. Kimmet. I may not have any subsequent conversation
9 with Colonel North from that point on, and I didn't feel I
10 had any obligation letting him know Customs business about
11 this matter and how I was going to resolve my uneasiness and
12 concerns and my lack of getting this documentation I had been
13 promised six or eight weeks ago.

14 Q Do you know whether or not Colonel North intended
15 to call the Commissioner? Did he express any intent, or did
16 you suggest he do so at the end of that conversation?

17 A You mean the conversation of the 17th --

18 Q Of the 17th of November.

19 A No.

20 Q I guess I asked two questions. Your answer is no
21 to which question? Did he express any intent to call the
22 Commissioner?

23 A No, he did not.

24 Q Did you suggest that?

25 A No, ~~he~~ ^I did not.

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35

1 Q Did you suggest he call the Commissioner?

2 A No. I did suggest -- as I said, just to reiterate,
3 when I talked to him the evening of October 29 or 30, I
4 indicated to him let's get together.

5 Q You don't recall such a thing on November 17?

6 A No.

7 Q Was that the last conversation you had with Colonel
8 North?

9 A I believe it was. I was just trying to think psat
10 that date. I just don't recall ever having a conversation --
11 a face-to-face or telephone conversation with him since.

12 Q By the way, did you tell Colonel North about your
13 visit with Mr. Martin from the Department of Justice?

14 A Not that I recall.

15 Q Let's tie that up. After your conversation with
16 Colonel North on the 17th, and you reviewed the documents
17 that had been provided to you from him, what did you do
18 with regard to the Maule investigation from that point on?

19 A As I said, I forwarded those documents up to the
20 Director of the Strategic Investigations Division, indicating
21 that I did not believe that the documents were responsive or
22 worthwhile and that if he concurred, and that is when he
23 mentioned the case agent from Atlanta happened to be in, I
24 said, if you guys agree they are worthless, go conduct the
25 investigation and resume the investigation, whatever course

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36

1 that they normally would.

2 Q And that would include the issuance of grand jury
3 subpoenas?

4 A If they elected to go grand jury, fine.

5 Q To your knowledge, did the Independent Counsel
6 assume jurisdiction over this case in January of 1987?

7 A Yes, he did. I don't know if it was January, but
8 they did since we are on the record.

9 Q That concludes the examination I had on that
10 investigation. I will turn it over to my colleagues.

11 BY MR. MC GOUGH:

12 Q Mr. Rosenblatt, I think it would be helpful to
13 take a minute or two to put your background on the record
14 if we could. How long have you been with the Customs Service?

15 A Since 1964, August of 1964.

16 Q And what position did you start with Customs?

17 A I came into the U.S. Customs Service as a Customs
18 investigator, GS-5, in New York, New York.

19 Q What I want to do is get a quick overview of the
20 various places and positions you have held with Customs
21 since them.

22 A In 1966, I was promoted to special agent; in 1967,
23 I was reassigned to the Los Angeles Special Agent in Charge
24 Office where I became a group supervisor in Los Angeles, in
25 1970. In 1972, I went to San Francisco as the Assistant

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37

1 Special Agent in Charge of Enforcement. We underwent a
2 reorganization in 1973, so I was converted from the Assistant
3 Special Agent in Charge to an Assistant Regional Director
4 for Enforcement.

5 In 1974, I was reassigned to our Headquarters. In
6 1976, I was promoted to a Branch Chief in Headquarters. In
7 the latter part of '78-'79, I was selected or appointed as
8 the Division Director for our Currency Investigation Division.

9 In 1980, I was selected as the Regional Director
10 of Investigations for the Southeast Region, Miami Region it
11 was called at that time. We underwent another reorganization
12 in 1983, and at that time I was -- the Regional Director
13 concept was abandoned, and I became the Special Agent in
14 Charge of our Miami Office.

15 In November of 1985, I was selected as the Assistant
16 Commissioner for Enforcement, which is my present position.

17 Q Thank you. You mentioned, in response to a question
18 from Ms. Naughton, that you had seen General Secord's name
19 in the press and at various times during the events we have
20 been talking about in relationship to contra resupply efforts.
21 Is that a fair characterization?

22 A Well, allegations of that or contentions of that,
23 yes.

24 Q Did you have any familiarity with the name, Richard
25 Secord, outside what you saw in the press in that context?

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38

1 A No.

2 Q Were you familiar with any alleged involvement by
3 General Secord in the Edwin Wilson affair or the EATSCO
4 affair?

5 A Peripherally. I had heard his name mentioned in
6 that, but in what context, I don't know.

7 Q I guess what I am trying to establish is if the
8 name, Richard Secord, had been mentioned to you in September,
9 1986, what, if any, connections you would have made with that
10 name? Would you have recalled his connection with Wilson
11 or EATSCO?

12 A No.

13 Q Just with the contra supply articles?

14 A Yes.

15 Q Had you also seen articles at or about that time
16 relating to Colonel North's involvement in the contra re-
17 supply efforts?

18 A I don't recall seeing Colonel North's name in the
19 media until November, possibly October, October-November
20 timeframe. I don't remember seeing Colonel North's name in
21 the paper in September, August.

22 Q Moving to the meeting with Mr. Martin, you said
23 he ran down a list of names.

24 A Contained in the letter were a quantity of names.
25 I don't recall if it was a listing or contained in paragraph

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39

1 form in series, various names. But there were quite a number
2 of names, I recall.

3 Q Was Colonel North's name one of those?

4 A Gee, I don't recall that. Let me put it this way,
5 I would have found that strange. That would have been
6 something I would have remembered.

7 Q I would like to get a clear picture of the meeting
8 itself, if I could. There was you, Mr. Martin, another
9 attorney from the Justice Department -- and Mr. Lopez, whose
10 exact position is what?

11 A He is our Branch Chief for Munitions.

12 Q Now, was there a general question directed to you
13 and Mr. Lopez about contra investigations? In other words,
14 did Mr. Martin or his associate ask for an itemization of
15 active contra investigations?

16 A To my best recollection, no. I mean, we discussed
17 the letter from Congressman Kerry -- Senator?

18 Q Senator.

19 A -- Senator Kerry, it was quite a lengthy letter,
20 to the Attorney General relative to the allegations of the
21 government involvement and various people involved in the
22 contra effort.

23 I got the impression from Martin and his colleague
24 that the meeting that I was having with him was of a general
25 nature to explain to me what their line of inquiry was.

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40

1 The details, insofar as responding to their line of inquiry,
2 would have to be handled by those that worked for me. I mean,
3 I do not have -- I don't go to these meetings and have all
4 this information at my fingertip.

5 Once I understand what the meeting is about and
6 the line a given person has taken, I will make sure they are
7 hooked up with the right manager in Headquarters to provide
8 the information.

9 Q Let me get this straight. Was it your understand-
10 ing that the meeting was supposed to determine what active
11 investigations the Customs Service had going on the subject
12 of resupply of the contras?

13 A No, it wasn't. We do not -- as a matter of policy,
14 we will not give Congress active investigations, and I think
15 the attorneys from the Department of Justice were well aware
16 of that.

17 Q Was it your understanding the meeting was to answer
18 the inquiries made by Senator Kerry?

19 A That is correct.

20 Q Specifically with regard to the Maule investigation
21 and the SAT investigation, I am not sure I understood whether
22 you felt those investigations weren't responsive to Senator
23 Kerry's inquiry or whether you felt it was Mr. Lopez's obliga-
24 tion to bring those up, which -- why didn't they come up at
25 the meeting?

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41

1 A Because they may not have been contained in
2 Senator Kerry's letter. If they were -- first of all, the
3 way the question was posed to me earlier was as if I did not
4 discuss it with them, and I am not sure that is a correct
5 representation necessarily, if it was in the letter and it
6 pertained to the line of questioning, it would have been
7 discussed there. I mean, I did not keep notes.

8 I believe Mr. Lopez did and followed it up with,
9 as I said, a memorandum to comply with the inquiries that
10 were being made by Mr. Martin.

11 Q At any rate, to the best of your recollection,
12 Colonel North's name was not mentioned at that meeting.

13 A I don't -- no, I don't recall it.

14 Q Now, you mentioned how you handled congressional
15 inquiries, but this wasn't really a congressional inquiry,
16 was it? This was a Department of Justice attorney --

17 A That is correct, but it was obvious we were talking
18 about being responsive to a congressional inquiry.

19 Q Was it explained to you that this was an attempt
20 to determine whether there should be an Independent Counsel
21 appointed or sought by the Department of Justice?

22 A Yes, that was. That doesn't mean we would not
23 discuss open investigations with these attorneys. The Maule
24 investigation and the SAT investigation were quite active,
25 particularly the SAT.

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42

1 Q I think you said that by the time you spoke with
2 Colonel North on November 17, and later in the day, and
3 Mr. Kimmet, you had determined that it would not be prudent
4 to continue to talk to Colonel North about those matters,
5 about the SAT and the Maule matters. Is that a fair character-
6 ization?

7 A Yes.

8 Q And to the best of your recollection, November 17,
9 the morning of November 17, or before the meeting with Kimmet
10 on November 17 was the first time, or the last time that you
11 spoke with Colonel North?

12 A To my best recollection, yes.

13 Q Can you state categorically that you never dis-
14 cussed your meeting with Kimmet with Colonel North?

15 A Absolutely.

16 Q You categorically state that you never discussed
17 your meeting with Kimmet with Colonel North?

18 A That is correct.

19 Q How about your meeting with Mr. Martin, did you
20 ever discuss your meeting with Mr. Martin with Colonel
21 North?

22 A That was already asked, and to the best of my
23 recollection, no.

24 MR. MC GOUGH: That is all I have.

25 MR. GENZMAN: I have none.

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43

1 BY MS. NAUGHTON:

2 Q Before we get to the next subject, I had a couple
3 of quick, perhaps unrelated questions.

4 Do you know anything about A-l-m-a-r Industries in
5 Chatsworth, California?

6 A It is hard for me to answer. It just doesn't come
7 to mind. That doesn't mean some of my people might not have
8 said something about Almar -- sifting through all the
9 information I get in a day in my position. It may not
10 have been of consequence. I want to be honest. Since I am
11 sworn, I don't know how to answer that question. I just don't
12 recall.

13 Q Specifically in conversations with Colonel North,
14 do you recall discussing Almar?

15 A Not to my recollection.

16 Q You never ⁹ have him any information, or he never
17 inquired?

18 A No.

19 Q Did Colonel North ever discuss with you any
20 cases regarding drug smuggling into Central America or from
21 Central America into the United States?

22 A No.

23 Q Did he ever discuss with you the seizure of a C-123?

24 A The only conversation I had with Colonel North
25 relative to a C-123 was the SAT, October 25 crash.

UNCLASSIFIED

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44

1 Q Did he discuss with you the seizure of any
2 aircraft by Customs, I mean specific aircraft?

3 A No.

4 Q If we could move, then, to what I will refer to
5 as the Kelso matter. When did the Kelso matter come to your
6 attention and how did it come to your attention?

7 A I would say approximately September, sometime in
8 September is the closest I can narrow it down.

9 Q Of 1986?

10 A '86, yes.

11 Q How did it come to your attention?

12 A I was advised by my Special Investigations Division.
13 Correction, I am sorry. There was a cable that came in from
14 the Ambassador, Ambassador Tambs of Costa Rica. It was a cable
15 that was very critical of Customs conducting investigations
16 and having informants in Costa Rica without the Embassy
17 knowing about it..

18 Q Was this cable sent to the Commissioner?

19 A It was sent to the State Department. I believe
20 the Commissioner was an addressee on it. It was a multiple
21 addressee-type cable.

22 Q How did this come to your attention?

23 A In two ways. Reading the cable, and also the
24 Commissioner indicated that he was quite concerned about this,
25 and simultaneously we were getting telephonic reports from our

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45

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1 Assistant Regional Commissioner for Enforcement, Larry La Dodge
2 in New Orleans, relative to the allegations set forth in the
3 cable.

4 Q When you say Larry La Dodge in New Orleans --

5 A That is our South Central Region.

6 Q Had he ever been assigned to Portland?

7 A Yes. He was the Resident Agent in Charge in
8 Portland, Oregon.

9 Q Do you know when it was he moved from Portland to
10 New Orleans?

11 A Not exactly, but I would say in early '86.

12 Q Now, what did Larry La Dodge tell you concerning
13 the statements by Ambassador Tambs and the concerns expressed
14 by Ambassador Tambs?

15 A I spoke to Larry La Dodge about this, but my
16 information and what I am about to tell you comes from several
17 different sources. There is no possible way at this late date
18 to discern which came from who, because I had discussions with
19 the Commissioner, discussions with my personnel in the
20 International Enforcement Branch, as well as Larry La Dodge.

21 Q With whom would the special investigations
22 discussion have been?

23 A At the time, I think it would have been Peter
24 Ballanon and Ronald Smith, that is to the best of my
25 recollection.

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1 Q Did you take any notes of any of these conversations
2 on the Kelso matter?

3 A No.

4 Q Did you write any memoranda or correspondence on
5 them?

6 A I didn't, but my staff did.

7 Q Did you review that?

8 A Yes.

9 Q What was the purpose of that documentation?

10 A Well, basically we had to respond to the Ambassador's
11 inquiry via the cable.

12 Q And was that done? Did you send something back
13 to the Ambassador?

14 A I think we did. But I also talked to the Ambassador
15 personally about it.

16 Q How soon was that after you read the cable?

17 A You mean the incoming cable from him?

18 Q Yes.

19 A I want to say probably within three weeks.

20 Q Why don't we take it step by step, chronologically?

21 A That is going to be very tough.

22 Q Okay. After you received the cable and you were
23 also receiving information from Larry La Dodge by telephone,
24 could you tell me within a space of a couple of days what you
25 came to learn about Mr. Kelso?

UNCLASSIFIED

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47

md5

1 A Kelso, also known as Williams to us, at that time
2 his name was Williams.

3 Q Richard Williams?

4 A Richard Williams, and another individual whose name
5 I cannot recall at the time.

6 Q Is it Brian Caldwell?

7 A Yes, it would be. They were working as informants
8 for Larry La Dodge. Apparently, Mr. La Dodge had received
9 communications from one of these two gentlemen by telephone
10 that they had uncovered a counterfeit operation in Costa
11 Rica, and there was other information that the informants
12 wanted to provide.

13 Q Did they also provide drug information?

14 A You asked me to do this this way -- other
15 information they wanted to provide, but they did not
16 feel comfortable doing it over the phone. It related to the
17 narcotics and drugs in Costa Rica.

18 My information was that Larry La Dodge felt
19 responsible for paying some expenses that had been incurred
20 by these informants previous to this time. In conjunction
21 with the information about counterfeiting operations, Larry
22 coordinated with the Secret Service as well as our Customs
23 attache in Panama, who is responsible also for the country of
24 Costa Rica.

25 Arrangements were made for one of the New Orleans

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1 agents to travel through Miami down to Costa Rica to meet up
2 with the informant and the Secret Service, so that we could
3 provide first-hand information to the Secret Service about
4 this alleged counterfeit money operation.

5 When our agent got to Miami, he called and learned
6 that the Secret Service personnel were leaving Costa Rica.
7 Because of their activities in Costa Rica, they felt that it
8 would be better for the Secret Service agents at that time
9 to leave the country and come back at another time.

10 Our agent proceeded nevertheless down to Costa Rica
11 to meet with the informants, ostensibly to debrief them and
12 also to pay them the money that Mr. La Dodge felt was owed
13 to them.

14 Our agent being relatively inexperienced in dealing
15 in foreign countries, did not wait until our attache or one
16 of our Customs representatives met with him in Panama -- not
17 in Panama, one of our reps or the attache from Panama met up
18 with him in Costa Rica. He did not check in with the Embassy.
19 He immediately met with the informant, paid the informant
20 and to some extent debriefed the informant.

21 This took place over the weekend when our Customs
22 representative from Panama met with our agent from New Orleans
23 in Costa Rica, our Customs representatives immediately realized
24 the error, made contact with the Embassy and met with DEA and
25 briefed DEA personnel on the meeting that our New Orleans agent


~~UNCLASSIFIED~~

UNCLASSIFIED

49

md 7

1 had with these two informants. Ostensibly, these two
2 informants made allegations of corruption by members of the DEA

3 
4 Our personnel went back to their respective locations
5 and, as I understand it, within a matter of days, the Costa
6 Rica authorities got information, allegedly got information
7 that these two individuals were passing themselves off as
8 Customs agents, and that one of them had a gun.

9 Costa Rican authorities advised DEA of this, and asked
10 DEA if they would want to go along. It is my understanding
11 that the Costa Rican authorities, along with one or more
12 DEA agents, knocked on the door of Williams, Kelso, and
13 proceeded to question him and advised them that there were
14 comments about them purporting to be Customs agents and having
15 a gun.

16 From there, the story gets a little hazy, but
17 apparently these two individuals were told to get out of the
18 country and/or taken in for questioning and subsequently
19 released.

20 Nevertheless, as it relates to Kelso-Williams,
21 made his way to a farm that apparently was owned by John
22 Hull. After leaving the farm, he then finds his way back to
23 the Denver, Colorado area.

24 Q Is this information you learned shortly after
25 getting the cable and learning about the case, or are we

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1 talking about a longer period of time?

2 A We are talking about the cable, but the business of
3 the farm came from the informant to Larry La Dodge to my
4 people to me, if you can follow all that. Paralleling this
5 at the same time is that I am hearing, while this is going on,
6 I would say about a week or 10 days after the cable, I begin
7 to hear about a letter that is going from the Costa Rican
8 President, allegedly, to the White House praising this
9 informant --

10 Q Caldwell, as opposed to Kelso?

11 A Right, but they are intertwined. And also,
12 laudatory remarks or comments about Larry La Dodge, who obviously
13 is supposed to be managing this, his informant,

14 Q Can you tell me who you heard about the letter from?

15 A I am hearing this from Larry. There is supposed
16 to be some kind of letter. He doesn't know about it first-hand
17 but he is hearing about some kind of a letter.

18 I presume Larry heard it from one of the two informants
19 Now, I am then getting phone calls from Gary Hilberry, who was
20 the Special Agent in charge of the Denver office, and Larry is
21 also talking to some of my people who are also filling me in,
22 about Kelso resuming allegations that he is working for an
23 intelligence agency.

24 Let's pause here and let me give you some background,
25 if I may? Mr. Kelso was arrested and convicted in Denver for

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md9

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51

1 Customs violations relating to arms to Iran. I believe he was
2 put on probation.

3 Q Was it Iran or Iraq?

4 A I was told Iran. It would have been Iraq. Let me
5 rephrase it. I was told to the Middle East. He was on
6 probation and he wanted to work for the Denver office while
7 he was on probation.

8 Our Special Agent in charge went to the U.S. Attorney,
9 who went to the Judge, and the Judge said no. So, Kelso, which
10 is his real name, apparently fades from the scene and strikes
11 up a relationship with Larry La Dodge when Larry was still the
12 resident agent in charge in Portland.

13 He presents himself as Williams. Of course, when
14 Larry La Dodge makes inquiries about a Williams, we do not find
15 anything derogatory in our informant files, nor of course do we
16 hook him up with Mr. Kelso from the Denver office.

17 Q Did Larry LaDodge enter him as an informant, a
18 source?

19 A I am pretty sure he documented Williams, but not the
20 other gentleman. One of them was unregistered.

21 Q That is what I am getting at. Was one a subordinate
22 of the other?

23 A Yes, exactly.

24 Q Do you know which was which?

25 A I am not positive, but I think Kelso/Williams was the

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md 10

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52

1 documented source and the other one was the undocumented source.

2 Q Do you know whether or not La Dodge put Williams'
3 name through the indexes?

4 A I don't know that personally. I presume he did,
5 but that is an assumption.

6 Q What you just told me about how his name would not
7 check out with Kelso is an assumption on your part?

8 A Yes, but I think it is a valid assumption. If we
9 document Kelso under his true name and if he comes in with
10 an alias as Williams, it is not going to bang up against
11 a card in there on Kelso.

12 Q Did you ever see any documentation regarding Kelso
13 as a source?

14 A It is not something I would personally see.

15 Q So, you never saw any payments to Kelso reflected
16 in Customs documents?

17 MS. ANDERSON: Can we clarify that as Kelso as a
18 source under the name Kelso?

19 BY MS. NAUGHTON:

20 Q Either name.

21 A No. There are different levels of approval and
22 the kinds of money approved for Williams would not come close
23 to my level of approval.

24 Q They were small amounts?

25 A They have to come to my office over \$10,000. So we

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md 11

1 are talking about sums under \$10,000.

2 Q Do you know what sums the New Orleans agent took
3 with him to Central America?

4 A I think between \$1,000 and \$1,500.

5 Q Do you know how it was broken down between Kelso
6 and Caldwell?

7 A No.

8 Q I guess I stopped you at that point where Williams
9 becomes an informant for La Dodge.

10 A Right.

11 Q This is in 1984 time period?

12 A I am not sure. It could have been '84 or '85. I am
13 not sure.

14 Q All right.

15 A It is evidence now that--well, let me backtrack.
16 During Kelso's trial in Denver, he claimed that he was working
17 for an intelligence agency. That could not be substantiated
18 by our office in checking with the intelligence community.
19 Now, I am jumping back to where Kelso is back in Denver after
20 the Costa Rican incident.

21 Q If we could put sometimes on this, the Costa Rican
22 incident is maybe July or August of 1986.

23 A Well, no.

24 Q Do you know how long he was in Central America?

25 A I don't know. But in talking to Larry, I got the

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1 impression that Kelso/Williams had been in that area for
2 some time. It wasn't just that he was down there visiting for
3 a week.

4 Q That is what I am trying to pin down.

5 A But this incident did not come to my attention
6 until sometime in September.

7 Q I understand. Now, he is back in Denver in the
8 fall of 1986.

9 A Right.

10 Q Can you tell me what you know about that?

11 A This is coming to my people through Gary Hilberry,
12 Special Agent in Charge in Denver, that Kelso/Williams is
13 being represented by a former U.S. Attorney by the name of
14 Snow, and that Snow is beginning to believe Williams' contention
15 of working for an intelligence agency.

16 Apparently, Snow gave Williams advice to begin
17 making tape recordings of all his conversations with government
18 officials, including a tape, I understand, between him and
19 Larry La Dodge, along with other tapes allegedly made between
20 Kelso/Williams and his so-called intelligence contact.

21 Gary Hilberry's concern was that in again doing
22 checks through the intelligence community, either using the
23 name of Kelso or Williams, nobody is corroborating the
24 contentions made by Kelso/Williams. However, Gary is very
25 concerned after listening to these tapes that he acquired

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1 access through an Assistant U.S. Attorney by the name of Black
2 Apparently, Snow gave four or five tapes to Black to review.

3 Mr. Hilberry reviewed those tapes and wanted to
4 prevent any embarrassment to the United States Government
5 if, in fact, Kelso/Williams was working for the intelligence
6 community. It was at that time I decided to explore the
7 potential, since we were getting negatives, to just ensure
8 we had covered all bases, I felt I would get a hold of
9 Colonel North to see if he could find out anything, because
10 maybe I was getting -- maybe people were getting stonewalled
11 by somebody in the intelligence community.

12 Q The tapes that Mr. Hilberry told you about, did
13 he tell you their contents?

14 A No. He just said that based on the contents that
15 he was very concerned, that one could almost make a case from
16 these conversations, that there was some connection between
17 Kelso and some member of the intelligence community.

18 I have known Gary Hilberry a very long time. He is
19 now our Special Agent in Charge of New York. He is not an
20 alarmist. Therefore, I paid attention to what Gary said and
21 figured we would explore the only other area that we had,
22 which was through the National Security Council.

23 Therefore, I called Colonel North. This is when
24 I came into contact with Rob Owen.

25 Q Do you recall approximately when you called Colonel

UNCLASSIFIED

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56

md 14

1 North?

2 A To the best of my recollection, it is probably
3 sometime in September. It was a matter, or no more than
4 two weeks after this thing began to bubble up, the report
5 of the incident and finding out from Gary Hilberry.
6 Let's say two to three weeks is the best estimate I can give
7 you, again to my recollection, sometime in September.

8 Q Why Colonel North as opposed to someone else?

9 A Because I didn't know anybody else at the NSC.

10 Q Was it your understanding that Mr. Hilberry
11 had already gone through the normal channels and liaison
12 people that you had established with the CIA and other
13 intelligence agencies for this purpose?

14 A Gary went through our headquarters channel. The
15 way we pulse, if you will, the intelligence community would
16 be through our headquarters. If the field would do it, they
17 would only get local feedback.

18 My objective was to save any potential embarrassment
19 to the government. By that, I mean, if in fact he was
20 and there were agencies denying it, then I wanted to make sure
21 I and the Commissioner and the Treasury Department were aware
22 if I got a kickback from the NSC that, yes, in fact, he was
23 associated with a given agency.

24 Up to this time, we were being told no, and I wanted
25 to be sure I knew about it, and the Commissioner and Treasury

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1 knew. To make a long story short, Colonel North, Rob Owen
2 both assured me that they did not know Williams and nobody
3 else knew Williams.

4 Q Let's not make a long story short. Let's go through
5 it, if we can. You called Colonel North, and I presume told
6 him something about the Kelso matter.

7 A That is right.

8 Q Did you use Kelso or Williams?

9 A I think I used the name Williams.

10 Q When you told Colonel North about it, did he express
11 familiarity with the subject?

12 A Yes. I gave the name Williams, and he said Kelso.
13 We were having a fine time on the telephone keeping the names
14 straight. He knew it from other source, which he did not
15 identify on the telephone. He was aware of this. I went
16 through the whole story with him from beginning to end. The
17 Costa Rica business. It became obvious to me from our
18 conversation that he was aware of it.

19 Because he was aware of it, I then went into the
20 business about the letter, the so-called letter. You see,
21 I was trying to kill two birds with one stone; one, to find out
22 about the letter and the authenticity of the letter; and, two,
23 find out if NSC knew anything about this connection between
24 Kelso/Williams and the intelligence agency, as Kelso claimed.

25 Colonel North indicated he was extremely busy, but

UNCLASSIFIED

UNCLASSIFIED
TOP SECRET

20

md 16

1 he was going to have Rob Owen call me.

2 Q When you mentioned the letter, was Colonel North
3 familiar with the letter or was that news to him?

4 A It was not news to him. As I recollect, it was
5 not news to him. He said, "I don't think that letter is
6 authentic." It was clear to me that he wanted me to deal
7 with Rob Owen on this matter.

8 Q How did he bring the name of Rob Owen up to you?

9 A He just told me he would like me to discuss the
10 whole matter with Rob Owen.

11 Q Who did he say Rob Owen was?

12 A Institute of Terrorism, on Subnational Conflict.

13 Q Is that what Colonel North told you, or did someone
14 else tell you that?

15 A That is what Mr. Owen told me.

16 Q I am interested right now about Colonel North.

17 A He told me to talk to Rob Owen, and I assume Owen
18 was associated with his office. Until such time as I met with
19 Rob Owen and he told me he was with the Institute on
20 Subnational Conflict working with Colonel North.

21 MR. McGOUGH: Does your book reflect whether he
22 gave you a telephone number or an address?

23 THE WITNESS: No, I don't have that here. It falls
24 right under Ollie North's office number, and then underneath,
25 Rob Owen, Institute of Terrorism, on Subnational Conflict. Then

UNCLASSIFIED
TOP SECRET

md 17

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1 Owen called me.

2 BY MS. NAUGHTON:

3 Q Owen called you, you did not call him?

4 A Not at that time, no. Subsequently, my office got
5 a number. It is probably in our office Rolex, I don't know.

6 Q When you had the initial conversation with North
7 about Kelso/Williams, did you tell him he was an informant
8 for Customs?

9 A Yes, I told him he was a source.

10 Q Did you also discuss Mr. Caldwell with Colonel North?

11 A No. Only as it related to the letter now. That was
12 not my pursuit.

13 Q The purpose of the call was not to tell him he
14 was an informant?

15 A No. You are missing my point. You recall the
16 so-called letter to the White House. That was one purpose,
17 but my main purpose was to find out whether Kelso/Williams was
18 working with the intelligence community because of the tapes
19 Gary Hilberry had and the potential for embarrassment.

20 Q Did you tell Colonel North about the tapes?

21 A No. I don't believe I did. I retract that. I
22 did tell him that Kelso/Williams had made some tapes and was
23 threatening to go to the media about his connection with the
24 intelligence community. But it was in passing. My conversation
25 with Colonel North about this area was very short. I could

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1 tell that he was busy, that he wanted me to deal with Owen,
2 that Owen could help me in this matter.

3 Q How soon after your conversation with Colonel North
4 did Owen contact you?

5 A I think either that day or the next day. He said,
6 "Come on over and meet with me." It was at that time I went
7 through the whole story with him again. He began to smile
8 during my relating of the story, and then later on in the
9 conversation, when we got to the business of the letter, he
10 told me that -- up to this time, I had not seen a copy of the
11 letter -- told me that it was a phony. He provided me with
12 a copy of the letter.

13 It turns out to have been signed by allegedly some
14 Captain in Costa Rica, going to the White House. I believe
15 you have a copy of that letter.

16 Q Did you get a copy from Owen of the letter?

17 A Yes.

18 Q Did Owen say where he got it?

19 A No.

20 Q Did you ask him?

21 A No. It was also at this time that Owen provided me
22 with a copy of a letter, that I got the impression was written
23 by John Hull. Initially I believed it was to Owen. Later,
24 I changed my supposition that it was probably written to
25 Colonel North.

UNCLASSIFIED

md 19

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1 Contained within the letter was a discussion about
2 Kelso/Williams coming to Hull's farm.

3 Q What did the letter say about that?

4 A I would rather let the letter speak for itself.

5 Q We don't have a copy of that letter.

6 THE WITNESS: Can we go off the record?

7 (Discussion off the record.)

8 MS. NAUGHTON: On the record.

9 BY MS. NAUGHTON:

10 Q After reviewing the letter, the handwritten letter
11 that you believe John Hull had written, and reviewing it in
12 Mr. Owen's presence, did you and Mr. Owen discuss the
13 contents of the letter at all?

14 A To the extent that we were both sure that the
15 individual referred to in Hull's letter was the same
16 individual that I was making inquiry with Mr. Owen, that it was
17 Kelso/Williams. I asked him, how do you think Kelso got
18 from Hull's farm over into Denver? He didn't know.

19 The reason I asked that question, when you read the
20 letter, it indicates that some officials came on the farm in
21 the middle of the night or in the early morning hours, and
22 took Kelso away.

23 Q When you say officials, is that officials of the
24 Costa Rican Government or the American Government?

25 A Of the Costa Rican Government. That is why I pose

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62

md20

1 the question to him, gee, how did he get to Denver if they had
2 taken him away? He didn't seem to know any more than I did.

3 We got back on the main point of me making the
4 inquiry about Kelso/Williams, and whether he was with the
5 intelligence agency. I had never heard of John Hull. The
6 only portion of the letter I was interested in was as it dealt
7 with Kelso.

8 Q Was the first you heard of John Hull in connection
9 with this matter?

10 A With any matter. I never heard of John Hull prior
11 to that.

12 Q Did Rob Owen tell you who Hull was?

13 A No. He indicated he was a friend of Colonel North.

14 Q That Hull was?

15 A Yes.

16 Q Did Owen make any representations that Hull was paid
17 by NSC?

18 A No.

19 Q Did Owen say what his relationship to Hull was?

20 A No.

21 Q When did Owen tell you for whom he worked, this
22 Institute on Terrorism?

23 A Owen didn't necessarily tell me that the Institute
24 worked for -- you see, I called up Colonel North. Colonel
25 North asked me to deal with Rob Owen. Based on that, I drew

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md21

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1 the inference, maybe incorrectly, that he was a part of
2 Colonel North's or the NSC staff. When Owen introduced himself
3 and gave me the title, I thought it was a segment of the
4 NSC.

5 Q This Institute?

6 A Yes, this Institute was a portion of the NSC.

7 Q Did he give you a phone number when he gave you
8 that?

9 A Yes, but it is in our office.

10 Q Did you ever call it?

11 A Yes. Like a number of places in Washington, they
12 answer it with the telephone number, at least they did when I
13 called.

14 Q So, they didn't say Institute of blah-blah-blah.

15 A No. They said the number, whatever that was.

16 Q Did you tell Owen during that visit about the tapes?

17 A I am not sure I told Owen about the tape in that
18 initial meeting.

19 Q Did you meet with him on any other occasion?

20 A Not meet with him, but I did talk with him on other
21 occasions. I believe when I talked to him by phone, that we
22 had these tapes. You see, there were four or five tapes,
23 and then the number grew to around six or seven. After we had
24 exhausted all possibilities that we could do, and I was not
25 getting any positive reaction from Owen that they were coming up

UNCLASSIFIED

UNCLASSIFIED

md 22

1 with anything more than what we had, I discussed with Gary
2 about sending some tapes down or bringing the tapes down, so he
3 and I -- Gary could sit down with Owen and play the tapes and
4 see if he recognized any voices.

5 I am coming from the standpoint that I believe Owen
6 is part of the NSC.

7 Q Did Owen tell you he spent time in South America?

8 A No, it never came up. I got the impression he had
9 been there, because of some of the things he indicated about
10 Costa Rica, but when you say worked in Costa Rica as opposed
11 to a visit or vacation, that never came up.

12 Q How was it then that Owen would be able to recognize
13 ^{ic} voices?

14 A Not just Owen. When I gave it to Colonel North
15 or Owen, within the NSC if they played the tapes, they might
16 have recognized voices that might have been familiar to them.
17 Just because I was giving it to one individual, we were looking
18 to use the NSC as a vehicle to determine whether or not the
19 allegations made by Kelso/Williams were accurate.

20 Q As far as the tapes themselves, what was your
21 understanding regarding whether or not you could use them or
22 whether or not any agreements had been made to keep them
23 confidential?

24 A I don't understand your question.

25 Q Okay, let's start from the beginning. The tapes,

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md 23

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65

1 I take it, were made by Mr. Kelso?

2 A Yes.

3 Q And he at some point gave them to Mr. Snow, his
4 attorney?

5 A That is right.

6 Q Mr. Snow gives them to Mr. Black, the Assistant
7 U.S. Attorney assigned to the case?

8 A Right.

9 Q And Black gives them to Mr. Hilberry, the Special
10 Agent in Charge of Customs?

11 A Right.

12 Q Do you know if there was any agreement between them
13 to keep the tapes confidential?

14 A No, I am not aware of any such agreement. You would
15 have to ask Mr. Hilberry.

16 Q Mr. Hilberry told you of none?

17 A Yes. As far as I am ^C concerned, even if there was
18 an agreement, if the purpose of giving us the tape from U.S.
19 Assistant Attorney Black, who got them from Snow, they are
20 looking to verify Kelso's story.

21 So, it does no good to help us determine if we cannot
22 discuss it with people within the government.

23 Q Did you discuss with Owen anything else in that
24 meeting that you had with him in your office, other than what
25 you have just related?

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948

UNCLASSIFIED

1 A No, the President's letter, the Kelso thing was
2 the only thing we were talking about.

3 Q And you are not sure if you discussed the tapes in
4 the face-to-face meeting or the subsequent phone calls?

5 A I am not sure, but again, that is my recollection, we
6 did not discuss the tapes. I wanted to see if they could do
7 it based on the information we had on Kelso: Name, date,
8 birth, that kind of business. No, I was not mentioning anything
9 about tapes to him, because it had not heightened until about
10 a week or two afterwards. I got a call from Gary that he was
11 very concerned about the tapes at that time.

12 Then when I dealt with Owen over the phone, what
13 had he found out, nothing yet, I would like to get together
14 with you, with Owen along with Gary. Our schedules just
15 conflicted. At one juncture, the latter part of September or
16 probably October some time, I was out of town and I believe
17 Owen went out to Denver -- I am sorry, I take that back, he
18 called Gary in Denver, he didn't go out to Denver. I gave
19 Gary authorization to go ahead and talk to him, but limit
20 his discussion on the Kelso matter, on any other matter vis-a-
21 vis the intelligence community.

22 Q I am sorry to interrupt you, but as long as we are
23 on the subject, are you sure that this authorization was given
24 to Hilberry sometime in September, or would it be in October?

25 A I think it was in September. It could have been

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1 October. It was after my phone call, it was a follow-up.

2 Q Did Hilberry ever tell you he had even spoken to
3 Owen prior to your authorization?

4 A No, not that I recall. I would have been disturbed.
5 If Owen called out there to talk to Gary to try to get to the
6 bottom of it, I am not that kind of manager. If I know two
7 people are trying to get it straightened, it would not bother
8 me, because I would expect Gary would fill me in on any
9 conversations he had.

10 But if Owen called up out of the blue without me
11 saying something to Gary, Gary would talk to him but very
12 guarded and probably would have said, "I need to talk to
13 Mr. Rosenblatt, I will get back to you."

14 Q Prior to your meeting with Rob Owen, did Hilberry
15 ever tell you he had spoken to Rob Owen?

16 A No. He did not know Rob Owen.

17 Q Then we go to this period in which you are telling
18 Hilberry now, probably sometime in October, that he could go
19 ahead and discuss the Kelso matter with Mr. Owen; is that
20 right?

21 A Yes, to try to ascertain whether or not he was with
22 an intelligence agency.

23 Q What happened as a result of that?

24 A As far as I know, they had one or two phone
25 conversations. After I discussed with Owen about the tapes,

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md26

UNCLASSIFIED

68

1 he became interested in having a meeting. It just did not
2 work out in our schedules. By this time, I had asked Gary
3 to send a copy of the tapes down to me. I never even got
4 around to listening to the tapes.

5 Q Do you know if they were in Spanish or English?

6 A I know that Gary Hilberry doesn't speak Spanish,
7 so based on that, they would probably be in English.

8 Q Did he say that he had personally listened to the
9 tapes?

10 A Yes, Gary had listened to the tapes. I then asked
11 in a telephone conversation I had with Owen, whether or not
12 he thought he could recognize any of the voices that
13 purportedly were of intelligence types that were talking to
14 Kelso/Williams, and he said possibly. This is where I
15 authorized my office that if Owen personally came to the office
16 and presented some kind of identification, that he was Owen,
17 they could give him the tapes, which was subsequently done.

18 Q Were you at your office when Owen came by to get
19 the tapes?

20 A No.

21 Q Were you told by anyone in your office that he had
22 indeed picked up the tapes?

23 A Yes.

24 Q Do you know how soon it was after he got the tapes?

end LYDA25

DOTSON fls

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fls LYDA

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07

11:30 am 1 A A couple of weeks. They were in my office for a week
2 or so before I even let Owen know we had tapes.

3 Q Did you have a subsequent conversation with Owen
4 regarding what he had discerned from listening to the tapes?

5 A No.

6 Q So, he never got back and said anything about them?

7 A I assume that by not hearing from Owen or Colonel
8 North that they were not coming up with anything positive.
9 I do recall in possibly my second conversation with Owen, when
10 we were talking about him picking up the tapes, that as far as
11 they could determine up to that point in time, that Kelso/
12 Williams did not work with any intelligence agency.

13 So that was just a reaffirmation of what we already
14 found out. Which in some respects, we had failed. We had done
15 as best we could, and the last-ditch effort of Owen and NSC
16 people listening to this tape to see if they could discern some
17 familiar voice, we had covered all our bases and if there was
18 a release by Kelso or his attorney, Snow, we did the best we
19 could.

20 Q After your initial conversation with Colonel North,
21 in which he told you to deal with Rob Owen, did you discuss
22 the Kelso matter with him again?

23 A Not any more after that. I don't recall it ever
24 coming up again.

25 Q So, he never, in essence, called you back to say he

UNCLASSIFIED

md 2

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70

1 checked with the CIA or anybody else?

2 A No.

3 Q To your knowledge, did Kelso have a passport in the
4 name of Williams?

5 A I don't know.

6 Q Were you told anything else about his travels other
7 than his trip to Costa Rica?

8 A No.

9 Q Did La Dodge indicate to you whether or not Kelso
10 had been a productive informant; that is, whether or not they
11 had made investigations based on what he said?

12 A Productive from the standpoint of they had provided
13 information which he had in various enforcement actions. Whether
14 the information resulted directly in arrest procedures, I do
15 not recall it.

16 Q When Kelso went to Costa Rica, did he go with La Dodge's
17 permission?

18 A As far as I know, no. You would have to ask
19 La Dodge, but my understanding is La Dodge was just as
20 surprised when they showed up in Costa Rica, and then suddenly
21 he is -- like I said, they told him, the two of them,
22 between \$1,000 and \$1,500, primarily because of the phone call.
23 It is something that in this whole matter about trying to deal
24 or trying to handle, control or management informants who claim
25 to be intelligence types could lead to a lot of problems, and

~~UNCLASSIFIED~~

md 3

~~UNCLASSIFIED~~

71

1 right now we have, as a result of all of this, we have a
2 prohibition of dealing with or even conducting any
3 investigations with informants who claim or profess to be
4 with the intelligence agency, and we find out, well, we
5 couldn't find out whether they are or not.

6 We are not going to deal with folks like that, because
7 it gives them a chance to go wherever they want and have
8 control.

9 Q Now, did La Dodge --

10 A La Dodge told me that he never authorized that
11 Kelso or the other sub-informant ever go down to Costa
12 Rica.

13 Q Was it La Dodge or was it the attache who told
14 the DEA agents [REDACTED] about Kelso's activities once
15 everything hit the fan?

16 A Both the Customs representative from our Panama
17 office, as well as the Customs agent from La Dodge's office
18 sat down with the DEA personnel [REDACTED] and related,
19 summarized, however you want to -- discussed what the
20 informant had said, to include the allegations of corruption
21 by DEA officials [REDACTED]

22 Q Did they do that on your instructions, or was that
23 their own idea to tell DEA about the allegations of corruption
24 in their midst?

25 A That was their idea. They didn't do that on my

~~UNCLASSIFIED~~

md 4

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72

1 instructions. I didn't even know about this until after
2 they had come back; so, there was -- let me put it this way:
3 My office knew that this agent was going down and we had the
4 Customs rep from our attache's office in Panama going over
5 there.

6 Q Was one of these DEA agents' name [REDACTED]

7 A I don't know.

8 Q Do you know their names?

9 A No, I do not.

10 Q You referred to a conversation you had with Ambassador
11 Tambs, you said it occurred maybe three weeks after the cable
12 had arrived. Did you call him or did he call you?

13 A Neither.

14 Q How did this communication --

15 A He was in the United States for a visit, I guess,
16 with the State Department, and he was doing a courtesy visit
17 to the Commissioner, and since the Commissioner wasn't in,
18 I was, so we met.

19 Q And did you discuss the Kelso matter at all?

20 A Primarily from the standpoint I apologized profusely
21 that it happened, and I assured him that these informants
22 had not gone down there with our approval, and if they had,
23 we would have definitely let the Embassy or the Ambassador know
24 about it, and all I was doing there for about 15 minutes was
25 apologizing profusely, assuring them it wouldn't happen again.

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73

md 5

1 Q When you made the representation they hadn't gone
2 with Customs' approval, was that based on the assurance you
3 had received from Larry La Dodge?

4 A Yes.

5 Q From anyone else?

6 A Who else would there be other than the Comptroller?

7 Q What was Ambassador Tambs' concern about that? What
8 did he tell you?

9 A It is not like his concern, it would be any
10 Ambassador's concern, having U.S. citizens or, particularly
11 U.S. citizens, but informants of an agency in a country
12 without the Ambassador or his designees knowing about it,
13 particularly, you know, "in dealing with a narcotics matter
14 in a foreign country."

15 You asked the question before relative to whose idea
16 was it to tell DEA about the allegations of corruption by
17 DEA persons, some of the DEA personnel [REDACTED] we
18 don't have investigative authority overseas relative to
19 narcotics investigations.

20 It is part of the agreements that we have that
21 we fill in DEA about narcotics information. One may believe
22 it is not prudent to tell the very same office that the
23 allegations were on about and relate those allegations to them,
24 but at the time when you relate this information, you go to
25 the office supervisor there, the information as far as I recall

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md6

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1 was not about the office supervisor himself, it was about ~~SOMEONE~~
2 working for him.

3 Q Did you discuss those allegations with Ambassador
4 Tambs?

5 A No.

6 Q Did he express he was aware of them?

7 A No.

8 Q Did Tambs mention the name John Hull?

9 A Not that I recall. I just don't remember it coming
10 up.

11 Q Other than expressing a general concern as an Ambass-
12 ador about this --

13 A More or less a courtesy visit.

14 Q Did he give you any specific information as to what
15 was going on down there?

16 A No, not at all.

17 Q Did the name Tomas Castillo ever come up? Tomas

18 Castillo, that is an alias, was [REDACTED]

19 [REDACTED] CIA.

20 A I don't recall. That is not a name I remember.

21 Someone could have bounced that name, I could have read it
22 -- it is not sticking with me. It doesn't mean anything to me

23 Q And aside from his name, were you ever told or did
24 you ever get any indication that [REDACTED]

25 [REDACTED] had been involved in the Kelso matter?

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md 7

UNCLASSIFIED

75

1 A No.

2 Q Are you familiar, in connection with this, with the
3 name Warren Treece?

4 A No.

5 Q I want to ask you a question regarding the letter
6 from the aide to President Arias, whether or not the letter
7 is genuine is not relative to our inquiry, but did you know
8 anything about the supposed assassination plot that had been
9 foiled by Mr. Caldwell?

10 A No.

11 Q When the Customs agent, who I gather from New Orleans
12 went down to Costa Rica to debrief Caldwell, is it my understand
13 they had already been debriefed by the Secret Service agents?

14 A No. That was the whole purpose, to hook them up.

15 Q And then the Secret Service agents decided not to go
16 to Costa Rica?

17 A Well, you see, they were in Costa Rica, my
18 understanding is they had an operation down there that was
19 somewhat successful, and there was -- what we call in the
20 profession some heat, and they thought it was, at least this
21 is what was told to me, they thought it would be prudent
22 to leave Costa Rica for a while.

23 Q So that the connection between Secret Service and
24 Kelso --

25 A Never took place.

UNCLASSIFIED

UNCLASSIFIED

76

md8

1 Q Why did the DEA agent then go to Costa Rica as
2 opposed to just sending a money transfer?

3 A Why did the DEA --

4 Q I am sorry, the Customs agent go to Costa Rica?

5 A Because we have to get signatures for monies we give
6 to informants, plus you don't conduct briefings over the
7 phone, other information such as the DEA allegations,
8 allegations against DEA. You do that personally.

9 Q But was there any discussion of perhaps just
10 giving them money to get them into the United States and
11 debrief them?

12 A No. It would be much more expensive for both of them.

13 Q Did the agent who paid them, who went down to Costa
14 Rica -- what was that person's name?

15 A I don't have it with me. I am not trying -- I just
16 don't remember the name.

17 Q He was a Special Agent.

18 A Yes.

19 Q Works for the New Orleans office?

20 A Yes. I believe we are reassigning him up to
21 Headquarters.

22 Q Did he ever check in with the Embassy after his
23 meeting?

24 A Oh, yes. This is when the Customs representative
25 arrived, and they then checked in with the Embassy and discussed

UNCLASSIFIED

UNCLASSIFIED

1 the matter with the DEA personnel there.

2 Q Did you ever speak to anyone at either the
3 State Department, the Defense Department, DEA or the CIA
4 about the Kelso matter?

5 A Did I?

6 Q Yes.

7 A Personally, no.

8 Q Do you know whether or not, and this is subsequent,
9 do you know Kelso/Williams indeed was an asset or source to any
10 U.S. intelligence agency?

11 A No, as far as I know, he is not.

12 Q Do you know whether or not he is an asset or source
13 for any U.S. law enforcement agency other than Customs?

14 A No, I do not.

15 Q Aside from the cable from Abrams in your visit with
16 Tambs, was there any other communications between Customs and
17 the State Department regarding the Kelso matter that you are
18 aware of?

19 A That I am aware of?

20 Q Yes.

21 A Well, I am not personally involved or aware of -- it
22 is obvious my people had discussions with the State Department
23 as a result of the Tambs cable. But, other than that --

24 Q Kelso, the record reflects Kelso surrendered in
25 January 1987 in Denver to authorities. Were you part of those

UNCLASSIFIED

md 10

UNCLASSIFIED

78

1 negotiations?

2 A No.

3 Q Were you aware of them at the time?

4 A I was aware there were negotiations going on.

5 Q What were you told about them?

6 A That there were negotiations going on. I mean,
7 he was, he had returned -- my understanding is that the -- there
8 was a warrant, there had been a warrant issued for violation
9 of his probation, and that when he came back, there was a
10 question of whether or not he was working for an agency or
11 not.

12 And until that matter could be cleared up, the
13 U.S. Attorney had pulled that warrant -- okay -- to make
14 sure, and I gather he reissued it -- okay -- after he
15 has assured himself there was no connection, and apparently
16 in January of '87, he turned himself in in conjunction with
17 the violation of probation.

18 Q From whom did you get this information?

19 A From my people upstairs who had probably talked
20 to Denver.

21 Q Were you informed that Kelso was concerned about his
22 safety?

23 A No.

24 Q Did you discuss the assassination plot against
25 President Arias with La Dodge?

UNCLASSIFIED

md 11

UNCLASSIFIED

79

1 A No.

2 Q Do you know what his involvement was?

3 A No. La Dodge just laughed at the whole letter.

4 Q Okay. Because he had nothing to do with it?

5 A He didn't know anything about it.

6 Q Did ^{you} know anything about the plot or letter?

7 A Either way. Was there such a plot?

8 Q Aside from allowing Owen to check out the tapes,

9 did anybody else in the Customs office in Washington listen to

10 the tapes or review them?

11 A I don't think so.

12 Q I am going to ask you about a couple names in

13 connection with this and tell me whether or not they ring a

14 bell.

15 William Chandler in Colorado?

16 A No.

17 Q Mel Cutler, Costa Rica?

18 A No.

19 Q Tom Welsh in Panama?

20 A No.

21 Q Scott McDaniels?

22 A No.

23 Q Tony Whitfield?

24 A No.

25 Q How about Mr. W-a-f-f-a?

UNCLASSIFIED

md 12

~~TOP SECRET~~
UNCLASSIFIED

- 1 A No.
- 2 Q Alexander Zuniga McNulte?
- 3 A No.
- 4 Q Al Miller, who was in the State of Washington?
- 5 A Now -- was it Miller or Martin? One of the names Gary
- 6 Hilberry mentioned to me Kelso claimed to be talking to in
- 7 Washington was a Martin or a Miller. That is the extent I
- 8 recognize either one of those names.
- 9 Q Was this person supposedly a CIA --
- 10 A An intelligence contact.
- 11 Q Did you ever check that out --
- 12 A We didn't have any information to check it out,
- 13 because Kelso wouldn't give us the telephone number other than
- 14 the location up in Washington. That came through the attorney
- 15 up in Washington. But they were not providing us with any
- 16 numbers.
- 17 Q Did you discuss that with either North or Owen?
- 18 A I discussed that with Owen.
- 19 Q And what did he tell you?
- 20 A He had never heard the name.
- 21 MS. NAUGHTON: Thank you. I think that is all the
- 22 questions I have on that area.
- 23 MR. McGOUGH: I have none.
- 24 MR. GENZMAN: I have none.
- 25 (Discussion off the record.)

~~TOP SECRET~~
UNCLASSIFIED

UNCLASSIFIED

81

md 13

1 MS. NAUGHTON: Back on the record.

2 BY MS. NAUGHTON:

3 Q Now, let's go through the Southern Air Transport
4 investigation, in other words known as SAT. On October 5, 1986,
5 a C-123 carrying Eugene Hasenfus crashed, and from there began
6 an investigation of that plane, I believe by U.S. Customs.

7 Can you tell us what office opened that up and for
8 what reason?

9 A Our Special Agent in Charge of the Miami Office opened
10 up an investigation as a result of a request from my office,
11 who got requested, received a request from the State Department.

12 Q Do you know who in the State Department?

13 A No, I do not.

14 Q Do you know what office?

15 A The Office of Munitions Control.

16 Q What was going to be the predicate of the
17 investigation?

18 A Two areas; the first relative to any arms or
19 munitions that would require a license upon export from the
20 United States to another country; and, secondly, with respect
21 to the aircraft itself and two aspects thereof, one dealing
22 with whether or not the aircraft was a military configuration,
23 hard points again; and, number two, whether or not it needed,
24 even if it was not a military configuration, whether or not
25 it required a sojourn permit.

UNCLASSIFIED

UNCLASSIFIED

md14

82

1 Q Could you explain what you mean by a sojourn permit?

2 A A permit that would be issued by the Department,
3 by the State Department to allow the aircraft to depart the
4 United States and be utilized in transporting items from
5 other countries, from one country to another country, since it
6 was a U.S.-registered aircraft.

7 Q If such a permit is not granted, what is the
8 penalty?

9 A It is a felony.

10 Q So, there are criminal sanctions?

11 A I think it is 10 years, and there is a fine, I
12 am not sure of the amount of fine.

13 Q Now, as to the export of arms, is that something
14 that would fall under Customs' jurisdiction?

15 A Yes. The Arms Export Control Act.

16 Q Now, were you aware of a parallel FBI investigation
17 into alleged Neutrality Act violations concerning the
18 aircraft?

19 A Was I aware at what point in time?

20 Q I assume at some point you were aware of it, as we
21 all are. When did you first become aware of it?

22 Q When -- subsequent to my initial conversation with
23 Colonel North relative to the investigation, I called and spoke
24 to Mr. Leon G-u-i-n-n, Assistant Regional Commissioner for
25 Civil Liberties
Informants, Miami.

UNCLASSIFIED

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1 Q And he told you there was a parallel FBI --

2 A That the FBI was conducting an investigation as well.

3 Q I take it that once your office basically authorized
4 the investigation, the Miami office took steps to carry that
5 out.

6 A That is correct.

7 Q Can you tell us what they did after receiving that
8 initiative from your office?

9 A Not in detail. In general I can, if that is what you
10 want.

11 Q Yes.

12 A They began to determine the ownership of the C-123,
13 and they ascertained through FAA records and possibly other
14 records that this aircraft was purchased by Southern Air
15 Transport from a firm, which I will call an aircraft brokerage
16 firm, if you will, that the aircraft had an interesting history
17 to it; it was an aircraft that had been utilized by the Drug
18 Enforcement Administration with a cooperating individual by
19 the name of Barry Seals that was flying these aircraft at one
20 time, and that the aircraft was sold to Southern Air and that
21 payment of approximately \$465 or \$485,000 was made against an
22 account in Southeast Bank, and according to Mr. Guinn, they
23 had obtained a cancelled check from Sun Bank in Orlando.

24 And on the reverse side of the check, on the back of
25 the check, it had Southern Air Transport, and Udall, U-d-a-l-l.

UNCLASSIFIED

UNCLASSIFIED

84

md16

1 on it.

2 Q On the back of the check, are you referring to an
3 endorsement?

4 A Yes.

5 Q Now, do you recall how soon after the crash and
6 the investigation was initiated that you received this
7 information from the Miami office?

8 A I would say it was either on October 9 or 10.

9 Q Was that before you talked to Colonel North?

10 A Subsequent.

11 Q After you talked to Colonel North?

12 A Yes.

13 Q So, you learned about Udall after you talked to
14 North?

15 A Yes.

16 Q Let's put the North call into context. Did you call
17 him or did he call you?

18 A He called me.

19 Q And what did he have to say? Excuse me, what is the
20 date?

21 A Again, October 9 or 10.

22 Q What did he say?

23 A He sounded very anxious. He was very concerned about
24 our investigation of this particular aircraft, that he was
25 assuring me that these were again all good guys, and he

UNCLASSIFIED

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1 categorically stated that we were barking up the wrong
2 tree, that this airplane did not have any weapons, any arms
3 whatsoever when it left the United States. That was the gist
4 of his conversation, I mean with respect to that, that aspect.

5 He also indicated to me that he had learned that
6 we had served a subpoena asking for all the records for
7 Southern Air Transport, and that this was a very sensitive
8 area, and he just wanted to know generally what we were doing,
9 and I told him, I said, "Look," I called him Ollie at that time,
10 I said, "I discussed with you," and this is where the Maule
11 investigation came up, I said, "The best way for us to
12 get to the bottom of this is to get the information as quickly
13 as possible."

14 I informed him that this was a State Department
15 request to conduct the investigation, and what for. When I
16 got into the area of the airplane, the hard points and the
17 sojourn permit, I got the impression that he was taken aback
18 by this area of concern on our part.

19 I think he was just focusing on our jurisdiction being
20 limited to arms export. He assured me in that initial
21 conversation that the aircraft was perfectly legal, again, I
22 reiterated to him that we were going to have to conduct the
23 investigation, that I thought personally speaking, issuing
24 a subpoena for all the records of SAT at this time was a little
25 bit much, but I said each agent has his own way of conducting

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86

1 an investigation.

2 I indicated to him that my main focus was on
3 determining whether or not the C-123 was, and the people on
4 the aircraft were involved in any violations that I had
5 enumerated during that conversation with him.

6 And as far as I was concerned, our focus was going
7 to be on the C-1 F-23, whether there were any arms or ammunition
8 being exported without a license, and relative to the plane,
9 hard points or needing a sojourn permit.

10 He, like you, asked me what that was all about,
11 and I explained to him. He just said there was -- there was
12 no reaction one way or the other, he just kind of absorbed it.
13 And I indicated to him that the thing I was going to be talking
14 to Leon Guinn about was to focus on the investigation of
15 the C-123. That was the substance of our discussion.

16 Subsequently, I called on Guinn, that is when I
17 was informed what Leon Guinn's, the special agents were doing.
18 I learned the previous day a subpoena had been issued, it is
19 obvious that is what precipitated the call.

20 Q Can we stop for a moment and describe the subpoena?
21 Was it administrative?

22 A It was an administrative subpoena. Under --
23 Customs has the authority or the Special Agent in Charge to
24 issue an administrative subpoena under the Arms Export Control
25 Act.

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UNCLASSIFIED

87

1 Q And that does not require Grand Jury action?

2 A No.

3 Q That is within Customs itself.

4 A Yes.

5 Q What did Mr. Guinn tell you the subpoena covered?

6 A He told me it covered the world. I said, look, we
7 were requested to conduct an investigation on the C-123. I think
8 because of the publicity on this particular case, and the
9 importance of it, that we ought to focus on the C-123, and let's
10 determine if there are violations involving the C-123 and
11 whether any of the SAT officials were part of any violational
12 activity.

13 I said, once we determine that, we can always expand
14 our investigation beyond that. But to me, it would have been
15 better off we focus on it. He had no problem with it.
16 He and I have known each other a long time, and he says, that
17 is great, that sounds acceptable to me.

18 Again, I never mentioned to Mr. Guinn that I had any
19 conversation with Colonel North. I didn't think it was
20 necessary for him to know that. But then, again, Guinn is
21 no dummy. I don't think he ever for one moment thought that I
22 had been talking to Colonel North or anybody in the NSC.
23 That is part of my job, is to take a look at these high
24 priority sensitive-type cases, and I just asked him to focus on
25 this so we could rapidly make a determination.

UNCLASSIFIED

UNCLASSIFIED

88

1 And the reason I did this, I think that if our
2 agents continued to go the course that they were and try to
3 get this monumental quantity of documents, we would be sifted
4 through all kinds of documents not necessarily focusing on
5 what the State Department initially asked us to do, to find
6 out if there was a violational activity.

7 And I thought it would make our case a lot easier
8 if we found violational activity as it related to the C-123,
9 that it would make it a lot easier for us to sustain any
10 further investigative pursuit we wanted to do with respect to
11 the total company.

12 Q And you talked to Guinn then. Did you resolve that
13 a new subpoena would be issued or procedurally --

14 A I left that up to him. We didn't get into a new
15 subpoena, old subpoena, but it is obvious if you are going from
16 a very broad, sweeping inquiry through a subpoena, and if you
17 wanted to narrow it down, you would have to issue another
18 subpoena.

19 As it turned out, and as I understand, I don't know
20 this to be a fact, because it was related to me, the case
21 agent got the flu or was down a couple weeks, and a second
22 subpoena was issued for records, very narrowly, specific to
23 the C-123.

24 I came to learn^H subsequent that that was issued on the
25 29th, October 29, that second subpoena.

UNCLASSIFIED
TOP SECRET

UNCLASSIFIED

89

1 Q After your first call from North and your subsequent
2 conversation with Guinn, did you get back to North and tell
3 him that the focus had been narrowed?

4 A No, no. He called me a second time.

5 Q When was that?

6 A Oh, maybe several days later. I believe he called
7 me a couple days later. Because at some point, I did inform
8 him that we are continuing the investigation, and we are
9 focusing on it, focusing on the C-123. And he again
10 reiterated, he assured me he had double-checked and there were
11 no arms on that plane.

12 Now, by this time, I had been assured 99 percent by
13 Guinn that their investigation up to that point led them to
14 believe that there were no arms that went on that aircraft,
15 at least from the United States.

16 So, of course, I deduced since there were weapons
17 allegedly found on the plane when it crashed, obviously weapons
18 were put on subsequent to its departure from the United
19 States.

20 And Mr. Guinn informed me that they were concentrating
21 on the aircraft itself, particularly with respect to the
22 sojourn permit.

23 Q What was North's reaction when you told him that?

24 A Somewhat noncommittal. I mean, I made it quite
25 clear to him that we were pursuing the investigation. At no

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90

1 time, I want to make this perfectly clear, at no time in
2 connection with this case or with the Maule case, did North
3 ever ask me or -- nor did I take anything that he said to
4 suggest that he wanted the case, you know, stopped, squashed,
5 whatever you want to call it.

6 He was just expressing concern that -- I got the
7 impression he wanted to set us straight we were wasting our
8 time and barking up the wrong tree. But as I informed him on
9 the Maule case, I informed him as well on this one that we were
10 going to pursue it in what I called a very focused manner,
11 and if we came up with violations, so be it.

12 Q Did you discuss anything else during that
13 conversation?

14 A Other than what I talked to you about?

15 Q What is the next thing that developed in the case?

16 A The next thing that I heard was, I had been trying
17 to piece this together ever since the thing broke, and this
18 goes back to October 29 or 30, because I am not sure which day
19 it is, either a telephone message was left on my desk on
20 the 29th or 30th, or I got a call at my home to call a Bob
21 Earl, is it? Bob Earl. Of course, it had the number and of
22 course, that is the security number to the White House
23 Situation Room into NSC.

24 Anyway, I called -- you know, at home I called,
25 and I was informed that Earl wasn't there, but a Craig Coy was

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91

1 there, and I talked to Craig Coy that evening, and I want to
2 say that was around 9-ish, there around.

3 Q What date are we on?

4 A Either the 29th or 30th of October. I want to say
5 the 30th, but, you know, because we are on the record, either
6 the 29th or 30th. And in my conversation with Coy, he
7 indicated that he had talked to Colonel North and that they
8 were very concerned about my people being all over SAT, and
9 that I had agreed that we wouldn't conduct an investigation --
10 immediately, I interrupted Mr. Coy, and I said, I don't know
11 who you are, but if Colonel North is concerned, I want to talk
12 to Colonel North.

13 He said, "Colonel North is not here, he is not in the
14 United States." I said, "I don't care where he is at." I said
15 "Get a hold of a number, get a hold of Colonel North, tell him
16 I want to talk to him."

17 I terminated that conversation, and I immediately
18 called down to Leon Guinn at his residence, and I asked him,
19 I said something to the effect, what we are doing on SAT that
20 is different from what we discussed earlier in the month?

21 He said, nothing. He said, we are conducting an
22 investigation as you and I discussed. He said, I think maybe
23 another subpoena was issued. I can confirm it. He said, I
24 think we issued one yesterday. Immediately, bells go off in
25 my head saying, now I understand the telephone call.

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92

1 Leon, I think -- I think Leon and I terminated our
2 conversation and he called me right back to confirm that the
3 previous day, our agent had served the administrative subpoena
4 on SAT. I said, fine, go ahead, continue.

5 He said, you realize that they have 10 days, two
6 weeks to respond to the subpoena. I said, fine. You know,
7 very nonchalant. And I guess it was about five minutes later
8 I got, I had a second conversation with Craig Coy, who gave
9 me a long-distance, out-of-country phone number.

10 Q So, Coy called you?

11 A Yes, he got back to me. I guess we went through --
12 anyways, I got the number, I thanked him, and then I proceeded
13 to use my credit card and call the number, I did not save the
14 money, maybe I should have, I didn't save it --

15 Q Do you know where it was?

16 A It would be a guess on my part. Only because I
17 had to go through a hotel clerk. If I had to pin it, I would
18 say it was either in Europe or the Middle East because of the
19 accent.

20 I went through the desk clerk, I guess you would call
21 him, I got a hold of Colonel North, and it was about 3, 3:30
22 in the morning when I talked to him, I woke him up obviously,
23 and I identified who I was, and I said, yes, he said, what are
24 you doing? And I said, what do you mean what am I doing?
25 I said, I told you we were conducting the investigation on the

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93

1 C-123.

2 He says, we are right in the middle of a lot of
3 sensitive business here, I am trying to get some packages
4 out of here, and I don't need -- he said, look, we are
5 conducting investigations on the C-123. I said, as you know,
6 there are other agencies that may be investigating it. You
7 are going to have to deal with that. I said, we served a
8 subpoena, we are going forward.

9 He didn't seem to have a problem with that. Okay?
10 Then he said, well, you tell Coy, okay, to take care of -- or
11 do something about these other agencies, the FBI. Okay?
12 I said, all right. He said, by the way, Ollie, when you get
13 back, I would like for you and I and the Commissioner to get
14 together.

15 The reason I said that, or when I heard the term
16 "packages," I became concerned. I took that term to mean
17 that we were talking about more than all this stuff about
18 Maule and the SAT investigation.

19 He said, fine, and we terminated our discussion.
20 I then called Coy up, I told Coy that we have served another
21 subpoena, we intended to continue our investigation of the
22 C-123. And we, according to -- that -- not according, but
23 Colonel North wanted me to pass a message to him about these
24 other agencies that might be investigating SAT, to including
25 the FBI, and take care of whatever has to be done.

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94

1 He said, okay, he will take care of it, and that was
2 the end of that conversation. Now, our Commissioner was out
3 of the country at that time, and I put it on the top of
4 my list to discuss with the Commissioner.

5 Unfortunately, the Commissioner was not coming back
6 until like the weekend of the 7th, the 7th or 8th, and we
7 a conference (scheduled) anyways at his farm, a management
8 conference. It was on the 10th, which was, I believe a holiday.

9 Q That is November 10?

10 A Yes, of '86. While at the conference, I related
11 to the Commissioner that status of the SAT investigation and
12 the Maule and the fact I had not gotten the documents, and
13 that in conjunction with the SAT matter, my conversation that
14 I had with Ollie and that I felt very uncomfortable with what
15 was going on.

16 Q Why?

17 A I had never heard of anybody in the National Security
18 Council becoming directly involved in trying to get
19 packages out of another country -- meaning hostages -- from
20 an operational standpoint.

21 Q Did you understand him to say hostages when he said
22 packages?

23 A Yes. That is what came to my mind immediately.
24 They were trying to get some people out of there, some hostages
25 out. And when he said, I became concerned, I want you to clearly

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95

1 understand nothing of illegality, it is a concern that I had
2 that the Commissioner was aware of it, that the Treasury was
3 aware of what was going on here and that, you know, we were
4 being asked in conjunction with this -- okay -- in essence to
5 be circumspect in our investigation of Southern Air.

6 And I had gotten this phone call, if you will,
7 from Coy and also my conversation that certain sensitive
8 things were going on relative to SAT, and -- in conjunction
9 with getting these packages out. That is far different than
10 somebody making an inquiry about the manner in which we are
11 conducting an investigation or expressing their concern that
12 there were a bunch of good guys and there was no violation
13 activity, we are getting into a whole other arena.

14 Q What is it that North said when you called him at
15 his hotel overseas that made you think that what he was doing
16 regarding the package was in any way related to SAT?

17 A I didn't say that.

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1 Q That's sort of what you are inferring.

2 A No, you are inferring that. What I am saying is
3 we have got an investigation on SAT, Colonel North makes a
4 representation about packages, and be circumspect in our
5 investigation of SAT as both of them were related. Okay?
6 I don't know what that relationship was. I mean, I could sit
7 then and sit here now and do a lot of surmising.

8 Q No, what I am asking you, at that point when you
9 were talking to the Commissioner, in your mind, had North
10 connected the two? In other words, the way you related the
11 North conversation, he has woken up and says, "Well, I am
12 trying to get these packages out and I am busy here. I
13 don't quite understand what made you connect that remark to
14 the SAT investigation.

15 A First off, we start out our conversation about
16 my people being all over SAT, and he is involved in -- and
17 SAT is involved with him, I gather in very sensitive -- in
18 NSC operations involving getting packages out.

19 Q That's my question. Did he say that?

20 A He talked about packages. I know he is NSC. He
21 didn't say NSC.

22 Q I know that. Did he say SAT was involved in
23 sensitive operations?

24 A No, he did not. He said it is sensitive. Okay?
25 He didn't say involved in sensitive; it is sensitive.

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drg-2

97

1 Q Were you concerned they could be related?

2 A Exactly.

3 Q And you expressed that?

4 A Well, that is why I wanted to meet -- I wasn't
5 going to discuss this over open, long-distance lines, and he
6 wasn't in a position to get to a secure phone. So that's
7 why I waited. I figured it is NSC, it can't be all that bad,
8 so the first, the clear opportunity then we had to get
9 together was down at his farm on the 10th in conjunction
10 with the management conference.

11 Q Okay. By then, of course, the story had broken.

12 A Had it?

13 Q In the media.

14 A All right.

15 Q Well, the hearings had shown that the newspaper
16 accounts of the arms shipments to Iran came out on the 3rd
17 and 4th of November, and by the 10th, it was pretty well
18 steam rolling along. Did you discuss those stories with the
19 Commissioner at that point?

20 A Yes. Obviously, we did about Iran. All right?
21 There wasn't anything in the paper about hostages at that
22 time that I recall. Do you?

23 Q I am not the one being deposed. What did the
24 Commissioner have to say when you expressed these concerns?

25 A He could understand. He said, "Yes, I understand

UNCLASSIFIED

drg-3

UNCLASSIFIED

98

1 your concern." He says, "This is bothersome", and he said,
2 "The best person for us to talk to about this would be Bob
3 Kimmet", because Bob Kimmet, who is our General Counsel for
4 the Treasury Department, was at one time General Counsel for
5 NSC.

6 I indicated to the Commissioner, "Do you want me
7 to cancel my trip abroad?" Because he was going along the
8 Southwest border to do a bunch of visits. And he said, "No,
9 but be sure before you go out of the country", or wherever
10 I was going at the time, and I would have to go back to my
11 calendar to look, that I make an appointment with Mr. Kimmet.

12 I called Mr. Kimmet personally from my residence
13 that evening, which was the 10th, indicated to him I would
14 like to have an appointment with him, it was very important,
15 the following Monday because that would be the first day I
16 would be back in the office. He said, no problem, we'll
17 just have our secretaries work it out.

18 So I called my secretary the next morning and
19 indicated for her to call Mr. Kimmet's secretary and get me
20 an appointment for sometime Monday afternoon. Usually when
21 I am away for a week Monday mornings are unbelievable. So
22 it was set up for, to the best of my recollection, either a
23 3:00 o'clock or 3:30 appointment on the 17th.

24 Q What is the next event then that happens?

25 A I went over and talked to -- well --

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drg-4

99

- 1 Q Nothing happened from the 10th to the 17th?
- 2 A No.
- 3 Q You didn't speak to Colonel North?
- 4 A No.
- 5 Q You may have testified to this already, but when
- 6 you spoke to Colonel North on the 17th. did you call him, or
- 7 did he call you?
- 8 A I called him. Reference to the Maule.
- 9 Q Did you discuss Southern Air Transport?
- 10 A No.
- 11 Q Did you speak with Mr. Kimmet on the 17th?
- 12 A Yes, I did.
- 13 Q Did you relate to him the same concerns you related
- 14 to the Commissioner?
- 15 A Yes.
- 16 Q I gather you discussed with him Maule and Southern
- 17 Air Transport?
- 18 A And Kelso.
- 19 Q And Kelso?
- 20 A All three.
- 21 Q What did Mr. Kimmet tell you?
- 22 MS. ANDERSON: I don't think he should do that.
- 23 That is privileged. That is attorney/client.
- 24 MS. NAUGHTON: I am not sure of that, but it is
- 25 not that important, so I won't --

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lrg-5

100

1 MS. ANDERSON: I don't want him to answer it.

2 MR. MC GOUGH: I don't have any interest in pursuing
3 it.

4 MS. NAUGHTON: Okay.

5 BY MS. NAUGHTON:

6 Q After talking to Mr. Kimmet, did you talk to Colonel
7 North?

8 A No.

9 Q After talking to Mr. Kimmet, did you talk to the
10 Commissioner?

11 A Yes.

12 Q What did you discuss with the Commissioner?

13 A I related to the Commissioner my discussion. I
14 thought it was going to be a private conversation between
15 myself and Mr. Kimmet, but Mr. Kimmet elected to have one of
16 his assistants in the office as well taking notes. They
17 indicated to me, which I relayed to the Commissioner, that
18 they were going to forward something to the Justice Department
19 about what I had relayed to them.

20 Q Did the Commissioner tell you what the purpose of
21 that would be?

22 A Pardon me?

23 Q Why forward that to the Justice Department? For
24 what?

25 A The Department of Justice, the Department of

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drg-6

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101

1 Treasury was going to forward a letter, if you will, setting
2 forth my information, if you will, so the Department of
3 Justice would have it. Basically, the Commissioner just
4 listened to my reporting of what I told him. Basically, he
5 knew what I told him, and that they were going to forward.

6 I later found out that Treasury did forward a
7 letter to the Justice Department. I have never seen that
8 letter. It has been relayed to me a couple times at different
9 interviews, hopefully the last of a long list.

10 Q Prior to your speaking to the Commissioner on
11 November 10, did you discuss the Southern Air investigation
12 with him prior to November 10?

13 A No.

14 Q Do you know if he was being apprised of it by any
15 other means?

16 A No, I might have casually mentioned one day --
17 when I say casually, we were conducting an investigation on
18 the SAT, but I don't believe I ever mentioned anything to
19 the Commissioner about Ollie North's phone call to me.

20 Q Do you know whether or not Colonel North talked
21 to the Commissioner about the SAT investigation?

22 A I have no knowledge of that.

23 Q Did the Commissioner tell you he talked to North?

24 A No.

25 Q Do you know whether or not Secretary Baker ever

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102

drg-7

1 discussed it, the investigation, with Colonel North?

2 A I would have no way of knowing.

3 Q Do you know whether or not he ever discussed it
4 with Attorney General Meese or anybody else?

5 A North?

6 Q Secretary Baker, Secretary of the Treasury.

7 A No. I don't have any first-hand knowledge of that.

8 Q I am not saying were you present. Did anybody
9 tell you that Baker had been contacted by Attorney General
10 Meese?

11 A This is hearsay. Shall I give that?

12 Q It is fine.

13 A On hearsay, I had heard at some social function,
14 when I say social function, associated with the job, that
15 Attorney General Meese indicated to Secretary Baker that he
16 wanted to talk to him later on in the day or some subsequent
17 time relative to an investigation that Customs was conducting.

18 I have also heard, again it is hearsay, that
19 Secretary Baker never received a follow-up call or had a
20 conversation in conjunction with that.

21 Q I take it there were no inquiries made to you from
22 the Secretary's office regarding the case?

23 A Absolutely none. To me or the Commissioner.
24 Because if the Commissioner had gotten, I would have gotten
25 it.

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103

1 Q Did you ever have any conversations with Admiral
2 Poindexter regarding any of these three cases we have dis-
3 cussed?

4 A No.

5 Q Do you know whether or not Admiral Poindexter con-
6 tacted anyone at Customs regarding any of these meetings?

7 A I don't have that knowledge. Again, if the Com-
8 missioner had been contacted by Admiral Poindexter relative
9 to this case, I am fairly confident that he would share them
10 with me. Or at least the mere fact that he had a conversa-
11 tion, maybe not necessarily the details.

12 Q Now, I believe the second subpoena had been served
13 on September 29. Do you know when a third subpoena was
14 served?

15 A I do not know whether that was a grand jury subpoena
16 or an administrative subpoena, because that whole investiga-
17 tion now is under the Independent Counsel. So insofar as
18 what has been going on in that investigation, once we ceased,
19 at the direction of the Independent Counsel, I have no
20 knowledge of that case.

21 Q Was there any attempt on the part of attorneys for
22 SAT or for executives from SAT to contact you or any of the
23 agents' supervisors to try to deal with the problem of the
24 subpoenas?

25 A Nobody from SAT -- let's go back. Your question

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104

drg-9

1 was any attorneys, right?

2 Q Or the executives themselves.

3 A Nobody ever contacted me. Now, whether or not
4 those same persons that you just named attempted or success-
5 fully contacted any supervisor or manager in the Southeast
6 Region, I would have to defer, because I would not have
7 knowledge. I don't have knowledge of that. I would have to
8 find out.

9 Q Now as to the FBI investigation, did, first of all,
10 did you discuss the SAT investigation with anybody at the
11 FBI either in October or November, 1986?

12 A No.

13 Q Did you know in either October or November in 1986
14 of any similar attempts or similar conversations by Colonel
15 North or Admiral Poindexter to have the FBI investigation?

16 A I do not know whether Colonel North or Admiral
17 Poindexter or anybody went to the FBI. I would not have
18 knowledge. That would be something between them -- between
19 those two parties. That is assuming that it did happen. I
20 do not have any knowledge.

21 Q So Colonel North, for instance, or Commander Coy
22 never imparted any information about the FBI investigation
23 to you, is that correct?

24 A That is correct.

25 MS. NAUGHTON: I think that is all the questions

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105

1 I have.

2 BY MR. MC GOUGH:

3 Q Mr. Rosenblatt, you referred to the Maule investi-
4 gation and SAT investigation, to Colonel North's remarks the
5 involved individuals were "good guys".

6 A Yes.

7 Q I want to probe a little bit what you understood
8 that to mean. There is at least two possible meanings; one,
9 they are good guys who wouldn't break the laws, and the other
10 is they are good guys in the sense they are government
11 operatives. And what I want to get at is when he said the
12 words "good guys" --

13 A Your first definition.

14 Q Just the first?

15 A Yes.

16 Q The first being that they were people who would
17 not break the law.

18 A Yes.

19 Q Did you understand it to have any implications
20 when he said that they were good guys working for the govern-
21 ment?

22 A I did not infer that.

23 Q Let me just close the set a little bit here, if
24 I can. You talked about various matters today. Are there
25 any other matters in which you had contact with Oliver North

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irg-11

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106

1 at all?

2 A Other than the areas we have covered today, no.

3 Q Have you ever been in Oliver North's office?

4 A Yes, once.

5 Q Can you give me the circumstances of that?

6 A Well, it was in connection with trying to follow
7 up with the Maule investigation and getting some of the
8 documentation. Up to that time, Colonel North was just a
9 voice over the phone. So I seized upon the opportunity to
10 go over to his office, made an appointment, and went over
11 and met him. It was a very brief meeting. If it lasted
12 more than ten or 15 minutes, that was a lot.

13 Q That was in the context of the Maule investigation?

14 A Yes, the Maule -- by that time, I think it was in
15 October, it would have been about the Maule and the SAT. It
16 probably was about the SAT as well.

17 Q Do you recall any of the discussions you had
18 subsequent to that?

19 A No, just general. Again, my purpose over there
20 was to get the documents, again.

21 Q Did you see anyone else in Colonel North's office
22 when you went there?

23 A I saw a secretary there. There were some other
24 folks in and out.

25 Q Did you know anyone who was in and out?

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irg-12

107

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1 A The only person I remembered was Buck Revell.
2 Buck Revell came out of his office. I arrived there five
3 minutes later, Buck Revell came out of his office, we said
4 hello, and he departed.

5 Q Did you have any substantive discussions with Mr.
6 Revell?

7 A No.

8 Q Do you know why he was visiting Colonel North?

9 A I don't know.

10 Q Did you talk to Colonel North about the fact Buck
11 Revell had just been in there?

12 A I didn't think it was any of my business.

13 Q Has Colonel North ever been in your office?

14 A I don't believe so.

15 Q Have you ever met with Colonel North outside his
16 office?

17 A No.

18 Q Other than that one face-to-face encounter in his
19 office, have you ever met with him at all?

20 A No.

21 Q Other than the package of information on Maule
22 that he sent over to you, did you exchange any other
23 correspondence or documents?

24 A No.

25 Q Do you still have the credit card information, the

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1 billing information on the phone calls that you made on
2 October 30?

3 A No. The possibility of getting that now at this
4 late date is almost impossible. They retain it for six
5 months. Unless you are more successful than we are as
6 investigators, you are going to have a hard time retrieving
7 it.

8 Q You mean from the phone company?

9 A That is right.

10 Q My question is, do you retain them for tax purposes
11 or anything like that?

12 A No.

13 MR. MC GOUGH: That is all I have.

14 BY MR. GENZMAN:

15 Q Regarding the telephone conversation on October 30
16 when North was overseas, when he talked about trying to get
17 some packages out, was this in the same context as the SAT
18 investigation?

19 A Yes.

20 Q You inferred he was trying to make the link between
21 the two subjects?

22 A Yes.

23 Q Did he say anything more specific about SAT and
24 any link it had with the packages?

25 A No. I inferred, or I got the impression that

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drg-14

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109

1 whatever he was attempting to do with the packages, to some
2 extent it was predicated on the involvement, if you will, of
3 SAT.

4 Q Were you thinking at that point about the subpoena
5 which asked for all of the SAT records?

6 A Yes. It began to make me wonder whether my choice
7 of focusing on the C-123 might have been imprudent at that
8 time.

9 MR. GENZMAN: I have nothing further.

10 MR. MC GOUGH: Let me return for a minute to the
11 phone records.

12 BY MR. MC GOUGH:

13 Q The credit card that you used, was it a personal
14 credit card, or was it the Custom Service's?

15 A Custom Service.

16 Q So the bill would have been sent to the Customs
17 Service?

18 A Yes.

19 Q Do you know whether those bills are retained by
20 the Customs Service in that form?

21 A I don't know.

22 Q Do you review the bills each month?

23 A Either myself or my staff review the bills. But
24 I don't believe that they are retained for a very long period
25 of time as long as we check off on it.

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110

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1 Q Who in your staff would know that?

2 A Mr. Paul Pulitzer.

3 MR. MC GOUGH: That is all I have.

4 MS. NAUGHTON: Thank you very much.

5 (Whereupon, at 12:55 p.m., the select committee
6 was adjourned.)

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Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES



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PAGE 1

1 RPTS CANTOR

2 DCNM GLASSNAP

3

4 DEPOSITION OF LARRY ROYER

5

6 Thursday, May 21, 1987

7

8 House of Representatives,

9 Select Committee to Investigate Covert

10 Arms Transactions with Iran,

11 Washington, D.C.

12

13

14

15 The Select Committee met, pursuant to call, at 6:00 p.m.,

16 in Room B-352, Rayburn House Office Building, Joe Saba

17 (Staff Counsel, Select Committee) presiding.

18 Present: Joe Saba, Staff Counsel, House Select Committee;

19 Vernon M. Houchen, Counsel for witness; Hon. Paul S. Trible,

20 United States Senator from the State of Virginia; Cameron

21 Holmes, Associate Counsel, Senate Select Committee; Don

22 Remstein, Investigator, House Select Committee; Robert W.

23 Gensman, Associate Minority Counsel, House Select Committee;

24 and Richard Cullen, Counsel to Senator Trible.

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PAGE 2

25 MR. SABA: For the record, counsel understands that
 26 the reporter is a notary public in the State of Maryland,
 27 and I have no objection to this reporter administering the
 28 oath for purposes of this deposition and no objection to the
 29 form of the oath. Would you please administer the oath?

30 [Witness sworn.]

31 Whereupon,

32 LARRY ROYER,

33 was called as a witness by counsel for the House Select
 34 Committee and having been duly sworn was examined and
 35 testified as follows:

36 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT
 37 COMMITTEE

38 BY MR. SABA:

PRIVACY

39 Q Would you please state your name, your address?

40 A Larry G. Royer, [REDACTED]

41 Decatur, Illinois.

42 Q Could you please state your occupation?

43 A I am an industrial plant liquidator, and a used
 44 equipment dealer in process equipment.

45 Q Briefly give us your professional background.

46 A I have been an industrial auctioneer quite a few
 47 years, and I buy and sell machinery for the purpose of
 48 making a profit.

49 Q And when did you commence that business?

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NAME: HIR141002

PAGE 3

50 . A My company is Equipment Removal and Search and was
51 formed in early 1983.

52 . Q And prior to 1983?

53 . A I was in the real estate auction business and
54 industrial auctions.

55 . Q And was this business at all times in the State of
56 Illinois primarily?

57 . A Primarily.

58 . Q Can you please tell me how you came to know General
59 Aderholt?

60 . A I met General Aderholt through an attempt to
61 provide a service to liquidate Braniff Airlines when Braniff
62 Airlines was in trouble.

63 . Q When was that?

64 . A '82 probably, 1982.

65 . Q And did you do any business with General Aderholt
66 following meeting him?

67 . A On the Braniff Airline thing? Only the point that
68 we had him do a consulting and writing the plan, and he was
69 paid for those services.

70 . Q Did you have occasion to travel with General
71 Aderholt?

72 . A Yes, I have traveled with General Aderholt to
73 Guatemala once and to Thailand twice.

74 . Q Did you travel anywhere else with him outside the

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 4

75 United States.

76 . A No.

77 . Q When did you travel with him to Guatemala?

78 . A I think I traveled with him in 1985 or 1986.

79 . Q And what was the purpose of the trip?

80 . A He was going to introduce me to people that he knew

81 down there who may have needs for used machinery in the

82 sugar cane industries.

83 . Q And did he introduce you to such people?

84 . A Yes, he introduced me to two cane sugar operators.

85 . Q Do you recall their names?

86 . A Roberto Aleous of Salto Corporation, and Widman--I

87 don't know his first name at the present time--who is a cane

88 producer and processor.

89 . Q Did General Aderholt introduce you to any other

90 businessmen in Guatemala?

91 . A If so--no, I don't think so. I really don't think

92 so.

93 . Q Did you have occasion to pursue any business other

94 than that related to sugar cane equipment in Guatemala?

95 . A Sugar cane related then to alcohol for fuel use. I

96 think that is basically what we talked about. We talked

97 about a lot of possibilities, what could be done in

98 Guatemala, but basically processing equipment, I think.

99 . Q Were you involved in any way in General Aderholt's

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 5

100 efforts to provide medical assistance to residents in
101 Guatemala?

102 . A None whatsoever.

103 . Q Were you involved in any military, paramilitary
104 activity in Guatemala?

105 . A None whatsoever.

106 . Q Since 1982, have you done any business directly
107 with General Aderholt?

108 . A I sold him or helped him buy a printing press, a
109 small little project of about \$2500 from a company in
110 Illinois.

111 . Q Approximately when?

112 . A 1983-'84, in there sometime.

113 . Q What was the approximate value of the printing
114 press?

115 . A The selling price was \$2500, but we come to find
116 out that the value now is nothing. It is a junk piece of
117 machinery, never operated.

118 . Q Since that time, have you transacted any further
119 business with General Aderholt?

120 . A No. I am getting a forklift donated from a good
121 processing company to his air commando unit for help in
122 lifting and loading these medical supplies down there, but
123 that is all.

124 . Q Have you obtained that forklift?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 6

125 . A No, not yet.

126 . Q And from whom would you obtain the forklift?

127 . A Well, I will try to get it from some good processor

128 that will just give it for the help.

129 . Q This is to be donated?

130 . A Donated, right.

131 . Q And if you are successful in obtaining a donation,

132 to whom would the donation be made?

133 . A To Aderholt's air commando group.

134 . Q And do you know the destination of the item?

135 . A Probably Fort Walton Beach, Florida.

136 . Q And why that place?

137 . A That is where he headquarters out of, so I assume

138 that is where he wants it.

139 . Q Have you or are you engaged in the performance of

140 any services or procurement for General Aderholt related to

141 military or lethal equipment for any purpose?

142 . A None whatsoever.

143 . Q Did you have occasion to meet General Richard

144 Secord?

145 . A Yes.

146 . Q Can you tell us when and the circumstances?

147 . A During our work with the Braniff Airline

148 liquidation proposals, I was in Fort Walton Beach, Florida,

149 and on a specific weekend, some weekend, General Secord and

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 7

150 his wife, Joanne, came to visit General Aderholt, and I was
151 introduced to him at that time.

152 . Q Do you recall the time?

153 . A '83, I think it was, '82 or '83.

154 . Q Was it at a time when General Secord was still on
155 active duty?

156 . A Yes.

157 . Q And following that meeting with General Secord in
158 Florida, did you have occasion to see him afterward in 1983?

159 . A I don't think--I saw him then ^{until} after he retired from
160 the military. I invited him to come to New Jersey and visit
161 with some friends of ours, and then he and I traveled to
162 Europe on a five-day vacation together.

163 . Q When was this?

164 . A In '83, in October I think of '83, yes, '83.
165 October of '83 probably.

166 . Q Did you transact any business with General Secord
167 in 1983?

168 . A No. I don't think so. I don't believe I did.

169 . Q When did you first visit General Secord following
170 his retirement from the military?

171 . A I really don't know. I think in '84. I remember
172 coming out to General Secord's office, his first office, and
173 I think I was there a couple times.

174 . Q Do you recall approximately when was the first time

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 8

175 | you had occasion to visit him in his office?

176 | . A No, I don't. I really don't.

177 | . Q Can you describe the circumstances where you came

178 | to meet Mr. Don Marostica?

179 | . A Mr. Marostica was acting as a supplier of capital

180 | for a company that was going to be formed in Sterling,

181 | Colorado, and when I was called to Denver to finalize the

182 | sale of equipment to a fellow by the name of Wesley Holmes--

183 | . Q When was this?

184 | . A In early '86, I guess, and Marostica was supposedly

185 | the man who was going to furnish the capital, raise the

186 | capital for this venture, and that is when I first met Don

187 | Marostica.

188 | . Q And did you transact that business with Mr.

189 | Marostica?

190 | . A Yes.

191 | . Q What was that business called?

192 | . A First American Sterling Mills.

193 | . Q And what was the nature of the business?

194 | . A Fish meal, processed to make fish meal.

195 | . Q Did it involve General Secord?

196 | . A No.

197 | . Q Albert Hakim?

198 | . A No.

199 | . Q Stanford Technology Trading Group, Inc.?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 9

200 . A No, none.

201 . Q Did Mr. Marostica propose any additional business
202 ventures to you?

203 . A Yes. He proposed several business ventures to us.

204 . Q Could you name those ventures?

205 . A He proposed ventures that we describe now as
206 American Arms, Ceretech International, a timber logging
207 operation called Guinault timber project, and a
208 pharmaceutical project called Bio Fine.

209 . Q Directing your attention to the project called
210 American Arms, can you tell us how this project was proposed
211 and what came of it?

212 . A Marostica told me that there was a company in Salt
213 Lake City that was manufacturing an automatic weapon, that
214 company needed financial help, it needed marketing. It was
215 in bad financial condition, and they needed somebody to help
216 them.

217 . Q What was the name of this company?

218 . A American Arms, Salt Lake City. So Marostica
219 invited--he gave me the information on the thing. I called
220 General Secord and wanted to take a look, have him take a
221 look at this weapon to see if it had any possibilities.

222 . Q What information did Marostica give you on American
223 Arms?

224 . A Probably gave me some projections of what the

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 10

225 weapon was capable of doing, projections of if we could
 226 manufacture some, how much it would make.

227 . At that point in time, I don't think there was much
 228 said about projections of dollars or anything until we
 229 finally met, after our meeting with the Goff^f in Salt Lake.
 230 . Q When did you have that meeting with Goff^f in Salt
 231 Lake?

232 . A I don't know. I would have to look.
 233 . [Discussion off the record.]

234 . THE WITNESS: The first of May, 1986, or
 235 thereabouts.

236 . BY MR. SABA:

237 . Q Who are the Goff^fs?

238 . A The Goff^fs were the major stockholders and managers
 239 of American Arms, Inc.

240 . Q And you met with which Goff^f?

241 . A Don Marostica and myself met with both the father
 242 and son in Salt Lake City.

243 . Q What is the relationship of Mr. Goff^f, Sr. and Mr.
 244 Goff^f, Jr. to American Arms?

245 . A Wait a minute. I have got to correct that. I
 246 think, if my memory serves me right, Richard Secord and I
 247 were the ones who met the Goff^f in Salt Lake City.

248 . Q So if I understand you, is it correct to say
 249 following the receipt of information about American Arms

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 11

250 from Marostica, you conveyed that information to Mr. Secord?

251 . A That is correct.

252 . Q How did you convey the information?

253 . A I think I probably talked to him on the phone, and

254 then maybe mostly telephone conversation, and I invited him

255 to come to Salt Lake City to take a look at the weapon.

256 . Q And did he come to Salt Lake City?

257 . A Yes, and I met in Salt Lake City, and we went to

258 American Arms and looked at the weapons.

259 . Q And whom did you meet at American Arms?

260 . A Both Junior and Senior Gof^P.

261 . Q And what was their relationship to American Arms?

262 . A The general managers and stockholders and probably

263 founders of American Arms.

264 . Q And what did they tell you?

265 . A Well, they are, of course, trying to sell us on the

266 merits of their weapon.

267 . Q What is their weapon?

268 . A They manufacture an automatic machine gun called

269 the American-180, with a laser sight, fires a 22-round at a

270 high rate of speed, like 1800 rounds a minute.

271 . Q I would show you this brochure which will be marked

272 Exhibit 1.

273 . [The Following Document was marked as Royer Exhibit

274 No. 1 for Identification.]

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 12

275

276

***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 13

277 . BY MR. SABA:
278 . Q Can you identify the brochure?
279 . A Yes. It is a brochure of American Arms at Salt
280 Lake City, reflecting the American-180 weapon that we were
281 interested in.
282 . Q Directing your attention to the exhibit, are the
283 weapons depicted in the brochure those that you discussed
284 with Mr. Goff?
285 . A Yes.
286 . Q Further directing your attention to the brochure,
287 could you explain the picture on the page which we will mark
288 for purposes of this deposition Royer 1-A?
289 . [The Following Document was marked as Royer Exhibit
290 No. 1-A for Identification.]
291
292 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 14

293 . THE WITNESS: You will have to repeat that.
294 . BY MR. SABA:
295 . Q I am sorry. Could you describe for us the weapons
296 depicted here?
297 . A There are three weapons, basically the same model.
298 Only one of them is a gold-plated, very good collector's
299 item. The second one is a stainless steel or a chrome, and
300 the third one is a high-gloss blue, which is more or less a
301 production model of the weapon.
302 . Q Did you discuss all three of these weapons?
303 . A Yes.
304 . Q Directing your attention to what we will call Royer
305 Exhibit 1-B, can you describe the picture depicted, what is
306 depicted in the picture here?
307 . [The Following Document was marked as Royer Exhibit
308 No. 1-B for Identification.]
309
310 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 15

311 . THE WITNESS: That you are pointing to?

312 . BY MR. SABA:

313 . Q Yes.

314 . A Is a briefcase with an automatic weapon installed

315 inside the briefcase. It was intended to be sold to drug

316 enforcement agencies and government officials that need

317 protection.

318 . Q Was this also discussed?

319 . A Very little, very little.

320 . Q But it was discussed?

321 . A Yes, but I never showed any interest in that, and I

322 don't think General Secord did much either.

323 . Q Following the meeting, what occurred?

324 . A We discussed the possibility with the Go^fis, and

325 then we left and went to Denver, and I think we stayed all

326 night in Denver and met Mr. Marostica the next morning, and

327 we discussed the possibilities of investing in trying to do

328 something with American Arms.

329 . Q How would this investment be accomplished? To be

330 more clear, what were the financial terms of the investment?

331 . A Because of the new law that the President was going

332 to sign, we knew that we had to get as many receivers as we

333 could build ^d before he signed that law, and we wanted to--

334 . MR. CULLEN: Let the record reflect what a receiver

335 is.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 16

336 . BY MR. SABA:
337 . Q Yes, could you describe a receiver?
338 . A It is a part of an automatic weapon that generally
339 contains a serial number, and has the trigger capacity and
340 the changing of the shell, what I know about it, but
341 basically it is the part that has the serial number on it
342 that is important to the identification of the weapon.
343 . Q Could you continue explaining the terms of the
344 investment?
345 . A We wanted to get these weapons or the receivers
346 made so that we could convert these weapons that were legal
347 weapons to sell to the people, you know, collectors. We
348 wanted to sell those weapons as collectors' items, and would
349 command a very high price, because once they were sold,
350 there would be no more of them ever sold to individuals for
351 collectors' items. It was going to take about \$1 million to
352 do this project.
353 . General Secord said that he could arrange through
354 some of his contacts to get us the necessary beginning
355 funding to get the receivers started.
356 . Q How much was that funding?
357 . A We talked about \$150,000.
358 . Q Is it correct that General Secord then was to
359 provide \$150,000?
360 . A He was going to arrange to get us the \$150,000 so

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 17

361 that we could make the 57000 receivers, yes.
362 . Q When you say us, who do you mean?
363 . A The partnership that we were going to form, and we
364 talked about forming it. We did form, started to form a
365 partnership called Tri American Arms, which would have been
366 Marostica, Secord and myself.
367 . MR. SABA: I show you a document which we will mark
368 Royer 2.
369 . [The Following Document was marked as Royer Exhibit
370 No. 2 for Identification.]
371
372 ***** COMMITTEE INSERT *****

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 18

373 . BY MR. SABA:

374 . Q Are you familiar with this document?

375 . A Yes, I am familiar with this document.

376 . Q Could you please describe what you understand it to

377 be?

378 . A I understand this to be a proposal that American

379 Arms gave to us to try to build some magazines, 11000

380 magazines, to complete 280 American-180s that they had in

381 stock, and it was a proposal that they had presented to us

382 which we turned down.

383 . Q Why did you turn it down?

384 . A We didn't want to invest any more money in that

385 situation. We wanted to get--we already had \$60,000 invested

386 in it. We didn't want to go any further.

387 . MR. SABA: I show you a document marked Royer 3.

388 . [The Following Document was marked as Royer Exhibit

389 No. 3 for Identification.]

390

391 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 19

392 . BY MR. SABA:
393 . Q Are you familiar with this document?
394 . A I am not so familiar with the first two pages. I
395 don't think I have a copy of anything like this. I don't
396 think so. I may have, but I don't think I do. I am
397 familiar with the third, fourth, fifth, sixth pages of the
398 document, and I am familiar with the authority of
399 partnership to open a deposit account. I am familiar with
400 that, and I know why this promissory note--but I have never
401 seen it before.
402 . Q This was not meant to be stapled to that document.
403 It is not part of the document.
404 . So you are not familiar with the first two pages?
405 . A I don't think I am. I know what it is saying and
406 things, but I don't think I ever got a copy of that, and it
407 is addressed to General Secord, and it is not carbon copied
408 to me, so I don't think I have it.
409 . Q But you are familiar with the remainder of the
410 document?
411 . A Oh, yes.
412 . Q Could you explain your understanding of the
413 remainder of the document entitled "'Memorandum of Agreement
414 Between American Arms, a Utah Company, and Tri American
415 Arms, a Partnership'?"
416 . A We were going to fund American Arms with \$150,000

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 20

417 to make 5000 receivers, and it was to be a loan and secured
418 by the receivers, in which I pinned down the cost of the
419 receiver. I see here there is an interest--will carry eight
420 percent--I don't know who is supposed to pay that, I don't
421 remember, and what the price of the weapon was going to
422 cost, and it was telling our goal of trying to produce these
423 5000 weapons before the President of the United States
424 signed a new law limiting the manufacture of receivers, and
425 we were to receive a certain amount of shares in American
426 Arms for loaning the money and such.

427 . Q And do you recognize your signature at the bottom
428 of the page?

429 . A Yes.

430 . Q And do you tell us that is your signature?

431 . A My signature? Yes.

432 . Q Following your meeting with Mr. Marostica in
433 Denver, what occurred?

434 . A Within a few days, Marostica received the money
435 that General Secord got lined up.

436 . Q How much money was that?

437 . A \$150,000.

438 . Q And do you know the date of the transfer of those
439 funds?

440 . A Around the 15th of May.

441 . Q And do you know to whom the funds were transferred?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 21

442 . A To Don Marostica in Sterling, Colorado. I don't
443 know whether it went to Tri American Arms or to him, but to
444 Sterling, Colorado, Commercial Bank of Sterling, Colorado.
445 . Q Do you know if the money was transferred to an
446 account in the name of Tri American Arms?
447 . A I don't know for certain, but I would assume that
448 it was Tri American Arms. I think he probably had it set up
449 by that time.
450 . Q And how did you understand that these funds came to
451 be transferred?
452 . A I don't understand your question.
453 . Q Whose money did you understand it to be?
454 . A Hakim had lined it up. I am sure that Hakim had
455 lined the money up, and Secord had helped him line it up. I
456 understood it to be money coming from a Swiss source.
457 . Q When did you understand that?
458 . A Early in the situation, very early, the day that he
459 said that Secord says that I have some connections that I
460 can get the money over here, and I will go back and see if I
461 can get it, and in a few days it was there.
462 . Q Was the money loaned to Tri American Arms?
463 . A Yes.
464 . Q Is there any document recording the loan?
465 . A No.
466 . Q Are there any terms discussed concerning the loan?

UNCLASSIFIED

NAME: N1R141002

UNCLASSIFIED

PAGE 22

467 . . A Well, the gentleman terms were that once the
468 weapons were made, this money would be part of a cost of
469 goods of the project, and that money would be refunded to
470 whoever loaned the money.

471 . . 2 And how did you come to understand this?

472 . . A We discussed it in Denver.

473 . . 2 Was this discussed with Mr. Marostica?

474 . . A He was there, sure. It was startup capital, and
475 startup capital always is repaid.

476 . . 2 What did you understand to be the contribution of
477 each of the partners to Tri American Arms?

478 . . A Well, the contribution was that Marostica was to
479 handle the books and the administrative parts of it, Secord
480 was to do the selling, marketing the thing, and I was to be
481 the man who made sure that the weapons and everything were
482 manufactured and worked with the Goffs.^p

483 . . 2 And where would the weapons be sold?

484 . . A This first initial bunch was to be sold as
485 collector items here in the United States. Any of the
486 weapons that would qualify as legal weapons here in the
487 United States.

488 . . 2 Who would have the responsibility for selling them?

489 . . A Secord was going to head up all marketing, and the
490 Goffs^f would help them in that, but the collector's item thing
491 was something that you just basically had to advertise them

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 23

492 | in certain magazines, and they would sell themselves.
493 | . Q And, again, how many units would there be?
494 | . A We were planning on making 51000.
495 | . Q And following the completion of the manufacture of
496 | the 51000, would additional weapons be made?
497 | . A We thought that it could be an ongoing business.
498 | We felt that the weapon was a very good antiterrorist unit.
499 | it was a good police unit, and if we could get the marketing
500 | in line, that, yes, it could be sold to small countries,
501 | third-world countries, police agencies.

UNCLASSIFIED

NAME: MIR141002

PAGE 24

UNCLASSIFIED

502 DCMN GLASSMAP

503

504 Q Was there a discussion of which countries?

505 A No. Third-world, antiterrorists was what it was.
506 That is what the weapon was designed for.

507 Q Were countries in the Middle East mentioned?

508 A No. We were not into that part of it first. The
509 first thing was to get these weapons made for collector^A✓
510 items.511 Q And following your meeting in Colorado with Mr.
512 Marostica and Mr. Seoord, what happened next in connection
513 with Tri American Arms?514 A The Go^F immediately contracted to have the
515 receivers manufactured around the 15-16th of the month, in
516 there somewhere, about the 19th the President signed the
517 bill, which really had no bearing on the situation at this
518 time because some of them, whatever ones were made at that
519 time were ready to be sold as collector^A✓ items, and then
520 the ATF came in right away and seized all of the receivers
521 at Aurora, Colorado, and all of the weapons and things in
522 Salt Lake City in American Arms offices.523 Q Did you understand the receivers had been
524 manufactured prior to the 16th of May?525 A Did I understand that the receivers had been
526 manufactured?

UNCLASSIFIED

NAME: HIR141002

PAGE 25

UNCLASSIFIED

527 . Q Yes.

528 . A Our 2000?

529 . Q Yes.

530 . A I don't think so, because I don't think they would

531 make them until the check was issued, and the check, as far

532 as I know, was issued on the 16th of May.

533 . Q And in connection with the issuance of that check,

534 was there any security obtained from American Arms?

535 . A Yes, American Arms gave us a security agreement in

536 the receivers that were being manufactured.

537 . Q How many checks were given to American Arms?

538 . A As far as I know, two, two checks each for \$30,000.

539 . Q Following the raid by ATF on the Goff operation,

540 what occurred next in respect to Tri American Arms

541 participation with American Arms?

542 . A I called Marcstica and said we need to go to Salt

543 Lake City. We went out there and surveyed the situation.

544 American Arms people were telling us this was not a big

545 deal, we would have the receivers back in a short time,

546 trying to get us to, you know, be calm about it, and so we

547 waited for a while. Then American Arms came back with a

548 proposition that helped the cash flows and helped us get

549 some of our money back, that they had about 200 and some

550 weapons that they wanted to tool up for and complete them,

551 and we could sell them and try to recoup some money, but we

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 26

552 backed away from that. We said that we wanted to wait and
553 see what the Gofs^f could do with ATF before we got involved
554 in any more. There were too many problems.

555 . Q In your planning for the transactions, was there
556 any discussion of potential profits, including breakdowns of
557 the cost of the weapons, the profits anticipated by Tri
558 American arms and its three partners?

559 . A Yes, there were profit projections, there were cost
560 projections. That is how you go into a project.

561 . Q Were these reflected in any writings?

562 . A The Gofs^f had a lot of projections and things, and I
563 think that Marostica had some, and I don't seem to have any
564 of those projections in my files or things, but I just know
565 that if I can manufacture a weapon for \$335 and I can sell
566 it as a collector's^{AV} item for \$2500 and I can sell 5000, or
567 2000 of them, it is a pretty lucrative situation.

568 . MR. SABA: I want to show you a document which will
569 be Royer Exhibit 4.

570 . [The Following Document was marked as Royer Exhibit
571 No. 4 for Identification.]

572

573 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 27

574 . BY MR. SABA:
575 . Q Are you familiar with this document?
576 . A It is my writing, I believe it is, yes, okay.
577 . Q Could you explain the document to us?
578 . A Well, two phases.
579 . Q Let me call your attention, if I may, to the lower
580 left-hand corner of page one of the exhibit. Could you
581 please read the writing within the box?
582 . A "'Don, Richard and Larry'".
583 . Q And who do you understand those individuals to be?
584 . A Don Marostica, Richard Secord and Larry Royer.
585 . Q And the number below the names?
586 . A Is 4,200,000.
587 . Q And what did you understand that number to
588 represent?
589 . A I have no idea until I read the document.
590 . [Discussion off the record.]
591 . BY MR. SABA:
592 . Q Mr. Royer, just to confirm and clarify the record,
593 the writing on the exhibit is your writing?
594 . A Yes.
595 . Q Returning to my question, could you explain the
596 number 4,200,000 in the lower left corner of page one under
597 the names, Don, Richard S. and Larry?
598 . A Is that four million? Is that the difference? If

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 28

599 we sell 40,000 weapons at \$1800, 7,200,000, the cost is \$250,
600 or \$1 million in cost, the margin was 6.2 million, the use
601 of money was for 200,000. There is about six million left
602 over. Thirty percent of that went to American Arms for
603 licensing, or however we worked the thing out, and would
604 leave approximately \$4,200,000 in profit to Tri American
605 Arms.

606 . Q And this profit would be divided among the
607 partners?

608 . A Yes.

609 . Q Equally?

610 . A Yes, one-third, one-third, one-third.

611 . Q Could you explain the \$200,000 number against which
612 is written the words 'Payback' and then in paren 'money
613 use'?

614 . A Money use. Somewhere, if we were going to borrow
615 \$1 million, there would probably be, at that time interest
616 was up. I don't know if it was that high, but there could
617 be that amount of money charged for the amount of dollars
618 that we needed until we got the weapons manufactured, so it
619 would be interest money somewhere.

620 . Q So you understand this to be interest money against
621 the \$1 million cost per unit?

622 . A Right.

623 . Q Do you understand that number to be connected with

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 29

624 the \$150,000?

625 . A You are saying it is \$150,000, would it draw that
626 type of interest?

627 . Q No, I am asking if you understand the \$200,000 line
628 here to be connected in any way with the \$150,000 which Mr.
629 Secord obtained for the partnership?

630 . A Well, it would all be part of the million. In
631 other words, if there is \$150,000 in there now, then there is
632 \$850,000 that would have to come in yet, so the total cost of
633 the million would be the \$200,000 roughly.

634 . Q Directing your attention to the second page, could
635 you explain the item at the top of the page depicted as item
636 2, assignments?

637 . A Yes. This kind of says who is responsible for
638 getting what done in the project, and I would like to put on
639 record that this is just actually notes of what I am
640 thinking of how this thing is going to go down. I mean, how
641 to try to structure it, how to get it.

642 . Q Are these your own ideas?

643 . A Basically. I think they are. You know, I do a lot
644 of note-writing and things, and I don't know where this
645 thing--when I did this, sometime early on in the project.

646 . Q We will get back to that, but could we stay with
647 the page? Directing your attention again to this same item
648 number 2, assignments, I understand that the name "Dick"

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 30

649 refers to whom?

650 . A General Secord.

651 . Q And the word following the name?

652 . A Capital.

653 . Q And how do you understand that?

654 . A He was responsible for raising the capital.

655 . Q Directing your attention to the bottom of the page,

656 titled "Objectives of Phase 2", could you explain the

657 entries there please?

658 . A If we are going to do this project, we are going to

659 attempt to tie up all the worldwide marketing rights of

660 American Arms. They needed somebody to do the marketing.

661 We thought we could do it. Stock in American Arms, we were

662 going to get stock in that corporation, and we felt that

663 their laser was not quite done yet, and that we would

664 probably use the laser that was built offshore.

665 . Q Whereabouts?

666 . A I think Korea is where.

667 . Q From whom would you procure it?

668 . A That I don't know. I just know that General

669 Secord, from his experience, felt that there were better

670 lasers available in the marketplace that were made out of

671 this country, and we would control all the marketing, and

672 license, maybe have some other plants in other parts of the

673 world. It is strictly trying to figure out how to do this

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 31

674 thing.

675 . 2 Directing your attention to page three, can you

676 explain to us why the starred item under the caption

677 indicates no domestic sales projected?

678 . A No. In reading this, I don't know. It doesn't

679 seem to make sense, but I don't know why.

680 . 2 Directing your attention to the next line, can you

681 explain the entry ''1,000-1,500 Saudi and Gulf States''?

682 . A Evidently somebody had come up with a figure that

683 there was a possibility that maybe we could sell this amount

684 to the Saudi or Gulf States.

685 . 2 And the next line, 4,000 contra?

686 . A Somebody has said that maybe there is a possibility

687 of selling them, some to the contra movement.

688 . 2 Could you tell us who this somebody might be?

689 . A I don't know. It could either have been Marostica;

690 it could have been Saood. It certainly wasn't me, because

691 I don't know whether we could sell them down there or

692 whether we couldn't.

693 . 2 But you prepared this document, correct?

694 . A Yes.

695 . 2 And is it your statement that these entries were

696 suggested by someone else?

697 . A Yes, yes.

698 . 2 That these entries are not your original idea?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 32

699 . . A No. You know, the more I think about this thing, I
700 think probably it was maybe a recap of the meeting that we
701 had in Denver.

702 . . Q Could the somebody who suggested the contras and
703 Saudi Arabia also be the somebody who suggested the lasers
704 on page two?

705 . . A Yes.

706 . . Q Could you explain the entry underneath which states
707 ''25 percent commission, based on \$1,000 per unit--''and then
708 in numbers ''\$1,375,000''?

709 . . A Somebody was going to be paid a commission for it,
710 and evidently it was Stanford Technology that was going to
711 be paid the commission of 25 percent. Stanford was going to
712 act as the marketing unit for this.

713 . . Q Who did you understand Stanford Technology to be?

714 . . A Richard Secord and Albert Hakim.

715 . . Q Following the raid of the ATF on the Goff
716 operations, what steps did you take next in respect to your
717 security interest in the receivers in connection with the
718 \$60,000?

719 . . A That I took or that Tri American Arms took?

720 . . Q If you have knowledge of Tri American Arms' action,
721 then Tri American Arms.

722 . . A What steps did we take to secure ourselves?

723 . . Q Did you take any steps to secure?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 33

724 . A Well, we went to Salt Lake to see what the
725 situation was.

726 . Q Who went to Salt Lake?

727 . A Marostica and myself after the raid, and there just
728 wasn't much--the only way that we could get any security back
729 was if the ATF would release the receivers, and they were
730 not going to do that. I don't know that there were any
731 legal steps taken in trying to recoup, because there just
732 wasn't much of a place that we could go, that I recall. I
733 don't know if Marostica did, or what. This is getting back.
734 I don't know, I don't remember.

735 . Q Directing your attention again to Exhibit 2.

736 . A Yes.

737 . Q In view of the raid, could you explain to us why
738 there would have been a proposal following that for
739 additional funds?

740 . A Well, they had, as I recall, some semiautomatic
741 weapons there that were partially finished, and they needed
742 "X" number of dollars to get those to where they could
743 turn them into cash, and they came with the proposal to us
744 to try to get us to advance the money to make these weapons,
745 and we never did do it. We felt that there was too many
746 problems, Richard and I did, there were too many problems
747 with American arms. We wanted to stay away from it.

748 . Q Was this document and the arms that are discussed

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 34

749 in the document discussed between any of the principals of
750 Tri American and the Go^ffs between the 19th of May, 1986 and
751 July, 1986?

752 A Marostica came up with that program, and they
753 talked to me a couple of times on the phone, and they put it
754 in writing, and it died. We weren't going to go any
755 further.

756 Q What occurred after July, 1986 in respect to
757 American Arms?

758 A It pretty much laid in limbo. American Arms people
759 kept trying to get their assets freed from the ATF. They
760 kept trying to get us to help them more, and we wouldn't do
761 anything. We said that we thought that they should sue ATF.
762 We stayed away from it.

763 In the meantime, on the ATF, we severed the
764 relationship. We dissolved Tri American Arms, and then
765 because we had \$60,000 invested there, I was trying to get
766 it straightened around. I took a friend of mine in there to
767 take a look at it, who is a fellow that tries to look at
768 problem companies, and we looked at it again and tried to
769 help them get it straightened around, and we couldn't do it.
770 So we just abandoned the project.

771 Q Did you have an occasion to discuss Tri American
772 Arms in early July in a meeting with Mr. Zucker?

773 A Yes, but very lightly. We didn't talk much about

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 35

774 American Arms. There was very little conversation about
775 American Arms.

776 . Q Did you have a discussion concerning the \$60,000
777 that had been put with American Arms?

778 . A In July?

779 . Q Yes.

780 . A In the meeting in July? I don't remember. If
781 there was anything about American Arms, it was a very light
782 conversation, a very light conversation. We were more
783 interested in Ceratech and the wood project. There wasn't
784 much talk about the American Arms thing. It was kind of
785 tabled.

786 . Q Could you describe for us what we have called so
787 far the wood project, commencing when it first came to your
788 attention, and how it was brought to your attention?

789 . A We were working with a group of people in Ceratech
790 National, and one of Ceratech's people recommended that I
791 talk to a fellow by the name of Ed Herman, who had great
792 experiences in logging and timber in the Northwest.

793 . Q Who in Ceratech suggested that?

794 . A Richard Finke.

795 . Q And Mr. Finke--

796 . A Recommended that I talk to Ed Herman, who was a
797 friend of his and a logger and had great experience in the
798 logging industry.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 36

799 . Q And Mr. Finke is connected with Ceretech?
800 . A Ceretech, right.
801 . Q Do you know what his connection is with Ceretech?
802 . A President and founder of Ceretech International.
803 . Q And where is Ceretech located?
804 . A Belview, Washington.
805 . Q Please continue.
806 . A And so we talked to--Herman came in and gave me a
807 proposition about a timber project that was owned by the
808 Federal Land Bank in Spokane. The property was located on
809 the Quinault Indian Reservation, and we thought it had some
810 possibilities.
811 . Q What is the time period that this conversation is
812 taking place in?
813 . A This would have been June that he approached me,
814 May or June, June probably, in Denver.
815 . BY MR. CULLEN:
816 . Q 1986?
817 . A 1986, yes.
818 . BY MR. SABA:
819 . Q And did he discuss this with you alone?
820 . A Herman?
821 . Q Yes.
822 . A No. He discussed it, the original was Marostica
823 and Finke and myself, and maybe a fellow by the name of Paul

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 37

824 Barnhoff and Mrs. Barnhoff, I think, were at the table.

825 . Q And this was at a meeting in Denver?

826 . A This was in the Clarion Hotel in Denver.

827 . Q In June, 1986?

828 . A Probably June of 1986.

829 . Q And was any proposal made in writing at that

830 meeting?

831 . A No.

832 . Q And following that meeting, what did you do in

833 respect to the proposal made? Did you discuss it with Mr.

834 Marostica?

835 . A Discussed a lot of the things with Marostica at

836 that time. We talked about the wood project. We then went

837 to Seattle.

838 . Q Was it contemplated that the project would be a Tri

839 American Arms project?

840 . A Yes. We had some money sitting there. Yes, it was

841 going to be a venture with Marostica, Secord and myself.

842 . Q Did you discuss it at that time with Mr. Secord?

843 . A Sometime within the near future, I talked with

844 Secord about it, yes.

845 . Q Was it by telephone, or was that in a meeting?

846 . A Probably by telephone.

847 . Q Following the meeting at the hotel in Denver

848 concerning the wood project, what event occurred next in

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 38

849 furtherance of that project?

850 . MR. HOLMES: I didn't get who was present.

851 . THE WITNESS: Who was present in the first meeting
852 about the wood?

853 . MR. HOLMES: The wood project you were talking
854 about.

855 . THE WITNESS: Marostica, Ed Herman, Richard Finke,
856 Paul Barnhoff and Mrs. Barnhoff.

857 . BY MR. SABA:

858 . Q Who are the Barnhoffs?

859 . A They are acquaintances of Finka.

860 . Q Do they have any further connection with this
861 project?

862 . A The wood project? No, not that I know of.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 39

863 RPTS THOMAS

864 DCMN QUINTERO

865 7:00 p.m.

866

867 . A We went up to Seattle.

868 . Q Who is we?

869 . A Marostica and I. And we talked with the Federal
870 Land Bank.871 . Q When did this meeting at the Federal Land Bank
872 occur?873 . A Had to be sometime in June. We talked with the
874 representative of the Federal Land Bank, Marostica, and gave
875 them a proposition.

876 . Q Whom did you speak to?

877 . A Fellow named Wayne Parris. And, from there either
878 that day or the next day, we went to an attorney with Finke
879 and Herman to discuss the point of trying to open some
880 negotiations with the land bank.

881 . Q Who was that attorney?

882 . A An attorney by the name of Sandy Erickson.

883 . Q For clarity, you understand this attorney to be one
884 acquainted with Mr. Finke and Herman?885 . A Right. It ended up we paid the bill but that is
886 what we understood, we talked about this project, Marostica
887 offered \$25,000 out of TriAmerican Arms to show the land**UNCLASSIFIED**

UNCLASSIFIED

NAME: HIR141002

PAGE 40

888 bank that we had good faith of trying to negotiate with them
889 to buy the property.

890 . Q And was \$25,000 provided?

891 . A Yes, they took \$25,000 out of TriAmerican Arms and
892 it was deposited in the Erickson escrow account in Belview,
893 Washington.

894 . Q Was that sum discussed prior to that time with other
895 partners in TriAmerican Arms, Mr. Secord?

896 . A No.

897 . Q Please continue.

898 . A Then we had a meeting on July 1, 2, and 3, and
899 Albert Hakim.

900 . Q I am sorry, could you return to the meeting with the
901 attorneys, Erickson. Did anything occur after that meeting
902 by way of documentation of that \$25,000?

903 . A No, no, Marostica was handling that. He handled all
904 that paperwork.

905 There should be, I hope there was documentation, but I
906 can't recall.

907 . Q Following the meeting at the Federal Land Bank, what
908 happened?

909 . A Then the 1st of July--

910 . Q 1986.

911 . A Yes, Bill Zucker and Albert Hakim and myself, my
912 son, Marostica, met in Seattle to review and look at

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 41

913 investment possibilities into these projects Marostica had
914 brought to us.

915 . Q Had you previously met Albert Hakim?

916 . A Yes, we met Albert Hakim several times and I met him
917 sometime before July in Washington.

918 . Q Do you recall the first time you met him?

919 . A No, I don't. No, I don't.

920 . Q Was it following your initial meeting with General
921 Secord?

922 . A Yes, I met Albert Hakim through General Secord.

923 . Q Was that at a time after General Secord had retired
924 from the military?

925 . A Yes.

926 . Q Do you recall how many occasions you met Mr. Hakim.

927 . A How many occasions?

928 . Q Yes, prior to July 1986.

929 . A Maybe two times, three times.

930 . Q Where did these meetings take place?

931 . A Either basically here in Washington, D.C.

932 . Q And during those meetings had you discussed the
933 terms of the TriAmerican Arms participation in American
934 Arms?

935 . A Some, some. Richard and myself, we had already
936 gotten involved in the TriAmerican Arms and Richard was
937 acting for Albert, he was getting the money through Albert

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 42

938 | and Albert knew about it, and I am sure that they had
939 | discussed it, and when we were here in Washington it was
940 | looking into all four of these basic projects, and then we
941 | ended in Seattle to try to really zero in on those four
942 | projects, and that is how Zucker got brought over.

943 | . Q Had you previously met Mr. Zucker?

944 | . A No, this was the first time I met Zucker.

945 | . Q How was Mr. Zucker introduced to you?

946 | . A As the financial man who would provide the financing
947 | as a banker, as a lawyer, as a Swiss banker. That is how he
948 | was introduced to me.

949 | . Q What transpired at the meeting?

950 | . A Well, we went through the projects and Finke brought
951 | all of ~~the~~^{these} people in from Ceretech and they tried to tell
952 | us what Ceretech can do and what the potentials are and
953 | everything. And then we brought the land bank people in; we
954 | talked to them about the wood project; we talked a little
955 | bit about the arms situation, very little, we basically were
956 | interested in Ceretech and the wood deal at that time.

957 | . Q Was there any decision to go forward with the wood
958 | deal?

959 | . A There was a decision at that particular meeting,
960 | yes, I think we were going to get and, I think the decisions
961 | was to hire an attorney, get started, getting some things
962 | set up in Seattle, so we could see we could successfully run

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 43

963 a cruise, to see what the potentials were out there.

964 . Q Who was Mr. Miracle?

965 . A Mr. Miracle was an attorney that Bill Zucker got for

966 us in Seattle.

967 . Q Did he take part in the meeting with Mr. Zucker

968 those first two days of July?

969 . A I think he was there one time. I think he came into

970 the meeting--no, I don't think he did. No. No, I don't

971 think--

972 . Q Was Mr. Erickson there?

973 . A Mr. Erickson was there and there was quite a little

974 discussion about who Erickson was actually representing.

975 Hakim told him that he was no longer representing

976 TriAmerican Arms, that he was representing the Finke

977 people--and said that he would hire our own counsel out

978 there.

979 . Q And in connection with the wood project, were

980 documents prepared by Mr. Miracle.

981 . A Most all documents had been prepared by Mr. Miracle

982 and Harris.

983 . Q I wish to have this entered, labeled as Royer

984 Exhibit 5.

985 [The following document was marked as Exhibit Royer-⁵ for

986 identification:]

987

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 44

988

***** COMMITTEE INSERT *****

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 45

989 [Recess.]

990 . MR. SABA: Back on the record.

991 . BY MR. SABA:

992 . Q Following the July meeting with Mr. Zucker and Mr.
993 Hakim, was a proposal made by TriAmerican Arms to the
994 Federal Land Bank concerning the project?

995 . A Yes, sir, we started, we started negotiations with
996 the land bank. Hakim, abruptly broke them off.

997 . Q When?

998 . A Right after we started.

999 . Q He said I don't want any part of it; we are done, so
1000 he broke the thing off.

1001 I talked him back into it and so we got back into it
1002 negotiations and the basis of the thing was to conduct a
1003 cruise, get an agreement, some type of agreement with the
1004 land bank, so that we could get on to the property and
1005 conduct a cruise, see what the volume of wood and things
1006 were there. I, through my connections with some people I
1007 know at Boise Cascade, hired a consultant.

1008 . Q What was the name of the consultant?

1009 . A Fellow by the name of Will Lawson. And at this time
1010 we got the agreement with the land bank to be able to go in
1011 and conduct a cruise, and see if the property was worth \$5.7
1012 million. That is what we did.

1013 . Q What were the terms of the proposal, do you recall?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 46

1014 . A To the land bank?

1015 . Q Yes.

1016 . A Which proposal?

1017 I want to--Marostica made a proposal that was immediately

1018 thrown out.

1019 . Q When was this?

1020 . A Early on, July in there, sometime.

1021 After we made the dissolution of the partnership we had--

1022 . Q When was the partnership dissolved?

1023 . A I have to look. Off the record, I would have to

1024 look.

1025 . Q As a practical matter, how did that partnership come

1026 to be discovered?

1027 . A Through an agreement that Harris, Miracle and Orr

1028 made with Marostica, with a signed agreement, but I think it

1029 was like in August or September when that happened. There

1030 is a point in time when Marostica stepped out then I started

1031 working the situation.

1032 . Q Did you understand the time when Marostica removed

1033 himself to be August 1986?

1034 . A I can't, it is probably August in there some time

1035 when he removed himself.

1036 . Q Would you say there came a time when the wood

1037 project was not being pursued by the partnership called

1038 TriAmerican?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 47

1039 . A Yes, sir.

1040 . Q Approximately when did that--was that time?

1041 . A Probably August, August, July or August, yes.

1042 . Q So that any proposal made subsequent to August 1986

1043 was not a proposal to the land bank of TriAmerican Arms?

1044 . A It was ^{not} a proposal by TriAmericans Arms.

1045 . Q After August?

1046 . A After that was then Hakim and Royer and Secord.

1047 . Q What entity made the proposal to the Federal Land

1048 Bank.

1049 . A The corporation called, SRH Corporation.

1050 . Q What did the initials stand for?

1051 . A Secord, Royer, Hakim.

1052 . Q Are you aware of the state of incorporation of SRH?

1053 . A Yes, sir.

1054 . Q What?

1055 . A Washington.

1056 . Q What?

1057 . A State of Washington.

1058 . Q What is the purpose of, the stated purpose of the

1059 corporation?

1060 . A If we could negotiate a situation with the land bank

1061 and buy the properties, SRH would be the legal entity which

1062 would hold the title to the land and would take to operate

1063 the timber operation.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 48

1064 . Q Who were the officers of SRH.
1065 . A Secord, Royer, Hakim, Miracle.
1066 . Q Who prepared the corporate document?
1067 . A Harris, Miracle and Orr.
1068 . Q And did SRH come to have a bank account?
1069 . A I think we had a bank account set up in a Canadian
1070 bank.
1071 . Q Do you recall the name of the bank?
1072 . A No, I don't.
1073 . Q Why was the bank in Canada chosen as opposed to a
1074 bank in the United States?
1075 . A Zucker selected that, and I don't know why.
1076 . Q I will show you a file, the entirety of which is
1077 marked Exhibit 5, and a document within the file which we
1078 will call 5-A. I will ask you to look at the document and
1079 tell me if you recognize it?
1080 . A Yes.
1081 . Q If you would describe the document, your
1082 understanding?
1083 . A This is a letter from Miracle to Secord and Royer in
1084 which it says that to, it says Burt Weinrich, who is an
1085 attorney for the land bank has accepted our proposal as of
1086 October 15.
1087 . A signed copy of that agreement will be delivered to me
1088 tomorrow. So, it is when they have accepted our proposal.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 49

1089 . Q Could you briefly describe that your proposal on the
1090 basis of the letter and its attachments?
1091 . A Briefly--
1092 . Q To the best of your ability.
1093 . A Well, basically, we said we would look at it at 5.7,
1094 we would give them--
1095 . Q 5.7?
1096 . A Million dollars.
1097 . Q Dollars?
1098 . A Yes.
1099 . Q United States dollars?
1100 . A Yes. This is what they are asking.
1101 . Q This is what you understood to be the price of the
1102 land?
1103 . A Yes. And the payment would be a million dollars
1104 down and then we would, the land bank would finance the rest
1105 of it, carry it over, we would pay off as it was harvested,
1106 we have so many days to conduct a cruise, to find out if
1107 actually what the land bank was telling us was true, and
1108 then we would come back and try to renegotiate the situation
1109 as compared to the cruise.
1110 . Q So is it fair to say this is a proposal by which SRM
1111 would purchase the land subject to the condition of the
1112 cruise?
1113 . A Yes, that is correct.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 50

1114 . Q And in order for you to have access to the land to
1115 make the cruise was it necessary for you to have this
1116 proposal be accompanied with a deposit?
1117 . A Yes.
1118 . Q What was the amount of that deposit?
1119 . A \$100,000.
1120 . Q Was that deposit made?
1121 . A Yes.
1122 . Q Where did it come from?
1123 . A It came from Zucker.
1124 . Q How did it come, can you explain the mix of that
1125 money, the movement?
1126 . A It came as a--as I would understand it, it was just
1127 to come out of Switzerland, to some bank in Washington,
1128 maybe it came through a bank in New York, I don't know the
1129 wires, it came from Switzerland to this escrow account.
1130 . Q Grays, Grays Harbor Title Company is the account to
1131 which it came?
1132 . A Yes.
1133 . Q And did you understand this to be in the State of
1134 Washington?
1135 . A Yes.
1136 . Q Was the money coming from Zucker directly to Grays
1137 Harbor?
1138 . A Yes.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 51

1139 . Q Did it pass through the SRM account?

1140 . A I don't think so. I don't know, but I don't think

1141 it did.

1142 . Q What was the understanding between Mr. Zucker and

1143 SRM concerning the \$100,000?

1144 . A I really don't know. That was discussed between

1145 Hakim and Miracle and Orr. All I knew this is what we had

1146 to have. Miracle or Zucker, Hakim handled that deal. I

1147 really don't know what it was.

1148 . Q And, in connection with the million dollar cash

1149 payment required to purchase the land, where would that come

1150 from?

1151 . A Zucker, as I understood it.

1152 . Q And what did you understand, would that come through

1153 SRM?

1154 . A That probably would go into the SRM and then would

1155 be paid to the land bank.

1156 . Q In fact, was that million dollars ever paid?

1157 . A No, no.

1158 . Q What were the terms by which Mr. Zucker would

1159 provide that million dollars to the land bank so that SRM

1160 might acquire the land?

1161 . A Number one, we had to get the selling price down and

1162 we had to get the operational rights of logging in line so

1163 that it would be practical to do it, and once we agreed to

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 52

1164 buy it, then Zucker was going to furnish the capital for the
1165 situation.

1166 . Q Under what terms would Mr. Zucker provide that
1167 capital?

1168 . A I don't know. I don't know what the actual workings
1169 of the things would be, what terms. I do know that he was
1170 going to, that we had to assign so many shares of stock of
1171 SRH Corporation to get the loan commitment, but what the
1172 terms were, I don't think we ever had them worked out that
1173 far yet.

1174 . Q I show you a document marked Exhibit 5-B?

1175 . A Yes.

1176 . Q How do you understand the letter, and the document
1177 enclosed with the letter?

1178 . A As I understand that, we had to assign--

1179 . Q Could you tell us to whom the letter is addressed?

1180 . A To me.

1181 . Q Date?

1182 . A November 18, 1986.

1183 . Q It is from?

1184 . A Malcolm Harris.

1185 . Q Who is with?

1186 . A Miracle, our law firm. And it is the loan
1187 commitment for \$5 million, U.S. dollars, to SRH Corporation.

1188 . Q Who is making the loan commitment?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 53

1189 . A CSF.
1190 . Q Do you know--
1191 . A A Swiss corporation.
1192 . Q Do you know CSF the letter to stand for Campagnie de
1193 Services Fiduciaries; what did you understand CSF to be?
1194 . A A company; the abbreviations for a company.
1195 . Q Who did you understand the owners of the company to
1196 be?
1197 . A Zucker.
1198 . Q Who told you that?
1199 . A He gave me a card.
1200 . Q What did he say?
1201 . A It says that he is with the company.
1202 . Q Did the card say he was, did you understand him to
1203 mean employee of the company?
1204 . A I really didn't understand all what Zucker was, but
1205 I felt that he was, I knew he was a banker, I knew he was an
1206 attorney, I ^knew he was a citizen of the United States over
1207 there, and in Switzerland. I didn't know whether he was one
1208 of the owners of the company, worked for the company, but I
1209 knew he was a capital, what you call it, investment--
1210 . Q Would it be fair to say you didn't know who is owner
1211 of the entity?
1212 . A I didn't know who the owner of that entity was, only
1213 I assume I felt that Zucker had control.

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 54

1214 . Q Turning to the loan commitment agreement, was it
1215 ever executed finally?

1216 . A No.

1217 . Q Why not?

1218 . A The Iran-contra affair broke and everything stopped,
1219 and everything stuck, off the record.

1220 . Q Concerning SRH, what did you understand to be the
1221 duties of the officers of the company?

1222 . A The duties of the officers of the company?

1223 I was basically going to run the operation with our people
1224 out there that we were going to put in.

1225 . Q Did you know that you would hire local people?

1226 . A Yes, we would have a consultant out there and a
1227 logging superintendent to watch our logging operation.

1228 . Q What would Mr. Hakim do?

1229 . A Well, I don't think we had discussed that much yet.

1230 . Q Mr. Secord?

1231 . A ~~He~~^{Hakim} ~~hasn't~~ discussed that that much yet?

1232 . Q Did you understand Mr. Secord to have any duties at
1233 all in respect to SRH?

1234 . A Only serve as President of the corporation.

1235 . Q Would Mr. Secord share in the profits of the
1236 corporation?

1237 . A Yes.

1238 . Q What would his profit share be?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 55

1239 . A I think it would be a third, a third and a third.
1240 Third. Third for Secord, a third for Hakim, and a third for
1241 me.
1242 . Q And SRH would be required to employ individuals in
1243 the area?
1244 . A Yes, we would.
1245 . Q It was the intent to work the land?
1246 . A Yes.
1247 . Q To harvest the timber?
1248 . A Yes.
1249 . Q Then to resell the timber?
1250 . A Yes.
1251 . Q Were you going to process the raw logs in any way?
1252 . A No.
1253 . Q How many employees would that require, did you
1254 anticipate?
1255 . A One bookkeeping person, an officer manager, which
1256 would be our consultant to Mr. Lawson, was going to be
1257 employed by us, and Mr. Herman who would be our field
1258 representative, very few.
1259 . Q Where would the working capital for the operation
1260 come from?
1261 . A We were going to, well, if this loan commitment came
1262 through we had plenty of working capital. This would pay
1263 itself off in 117 weeks. It has good cash flow.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 56

1264 . Q Returning to the Exhibit 5-B, is it your
1265 understanding that the work, that the capital, rather the
1266 loan, would be paid off in such a way that the first three
1267 years the borrower shall pay interest only?
1268 . A Yes.
1269 . Q What was the rate of interest?
1270 . A I don't know. I don't remember.
1271 . Q And following that, how was it to be paid off?
1272 . A I would have to look at the document, whatever it
1273 says, but I think it would be ballooned and paid off within
1274 three years probably, about, I don't know, I would have to
1275 look at the document, I don't remember.
1276 . Q Just for the sake of the record, to be clear, is it
1277 your understanding that CSF made a commitment of \$5 million
1278 to SRH, that if the transaction were consummated, the money
1279 would pass to SRH which would use that to purchase the land
1280 and for working capital?
1281 . A That is correct.
1282 . Q That that money would be paid off first interest
1283 only for the first three years, and principal thereafter?
1284 . A The interest for the first three years and then the
1285 principal.
1286 . Q With the interest percentage not yet agreed upon?
1287 . A Whatever the agreement says, I don't know.
1288 . Q And that company would be operated primarily by

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 57

1289 yourself?

1290 . A And our people that we would hire out there.

1291 . Q And the people that you would hire. And that you,

1292 Mr. Secord, and Mr. Hakim would share equally in the profits

1293 of the company?

1294 . A That is correct.

1295 . Q What did you anticipate those profits to be?

1296 . A Depending on the market, probably a couple million

1297 dollars.

1298 . Q In the first year, how did you come to calculate

1299 that?

1300 . A By multiplying--by the amount of board feet, thousand

1301 of board feet that could be harvested per month, times the

1302 cost would give us what our gross should be. There is 50

1303 million board feet out there.

1304 . Q Do you recall there being any documents executed

1305 concerning any security interest CSF would have for its

1306 loan?

1307 . A Yes, there is a document that was prepared to give

1308 stock of SRH to the fiduciary or the development

1309 corporation.

1310 . Q What percentage of the stock would be given to CSF?

1311 . A I don't know. I do not recall. I do not know. I

1312 know I have read something like 29,000 shares would be or

1313 79,000 shares, some figure of shares was going to be given

UNCLASSIFIED

NAME: N1R141002

UNCLASSIFIED

PAGE 58

1314 to them as security.

1315 . Q You understood that to be the security for the \$5

1316 million.

1317 All right, I would like to show you a document which we

1318 will label Exhibit 5-C.

1319 . A I would like to point out about the time that these

1320 reports reached me, this is when the whole thing blew up.

1321 We had it that far, and really didn't get a chance to work

1322 with all that export thing and so that is why I am vague on

1323 a lot of that stuff.

1324 . MR. CULLEN: What is it that blew up?

1325 . THE WITNESS: Whenever the Iran-contra thing started

1326 and Zucker backed off.

1327 . BY MR. SABA:

1328 . Q I show you a document marked Exhibit 5-C. Could you

1329 describe it generally?

1330 . A This was sent from Miracle, Harris, Miracle and Orr

1331 to Dr. Willard Zucker, and it is about the loan commitment

1332 and about the draft and they are talking about making the

1333 loan commitment, about the action in lieu of board of

1334 directors consent.

1335 . Q It refers, does it not, to an enclosed draft consent

1336 of action in lieu of meeting of shareholders and directors

1337 of SRH Corporation?

1338 . A Yes.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 59

1339 . Q And does it not contain in the proposed draft terms
1340 whereby such shareholders and directors would consent to a
1341 grant of shares to CSF in connection with its loan of \$1-1/2
1342 million?

1343 . A Yes.

1344 . Q Is this the \$1-1/2 million that was used initially .
1345 for the cash downpayment for the land?

1346 . A I do not know. I do not know what they are referring
1347 to. Mr. Miracle would have to answer that question.

1348 . Q All right.

1349 I want to return again to the issue of the officers and
1350 shareholders so that I understand what would Mr. Secord do
1351 to share one third of such anticipated substantial profits
1352 as you have described?

1353 . A Not as president in this particular venture. Mr.
1354 Secord wouldn't be doing very much, he has already done what
1355 he needed to do is brought the people to the table that
1356 needed to put the deal together. There are certain players.
1357 Hewas one of the players that could do that.

1358 . Q Is it your intention at the present time to go
1359 forward with this transaction?

1360 . A No, not that one.

1361 . Q You have no intention to go forward with this
1362 transaction?

1363 . A I don't think it will ever fly.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 60

1364 . Q Why?

1365 . A Publicity.

1366 . Q Could you elaborate?

1367 . A Myself, personally, we are going to try to ^{make} ~~take~~ that

1368 thing work, but as SRH Corporation, I don't think we ^{could} ~~ever~~

1369 get it, I don't think we can get the land back to deal in

1370 good faith with us because of all the publicity which has

1371 been around this situation. I think it is a dead thing. I

1372 think it has got to be revitalized some other way. I

1373 haven't figured it out yet.

1374 . MR. HOUCHEM: Tell them how they refer to it?

1375 . THE WITNESS: Iran-Gate Forest. You can't believe

1376 the things the press has done to us out there.

1377 . MR. HOUCHEM: They say it is swampland and no

1378 timber, and they are buying it.

1379 . BY MR. SABA:

1380 . Q What became of the \$100,000 deposit with Grays

1381 Harbor Title Insurance Company?

1382 . A Around January 5th the--

1383 . MR. CULLEN: '87?

1384 . THE WITNESS: '87.

1385 Our project or option ran out and we did not, could not

1386 come to an agreement with them so we asked the money to be

1387 returned and the money was returned to Miracle, Harris,

1388 Miracle and Orr.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 61

1389 They took out some substantial attorney fees and sent the
1390 rest of it back to the Stanford Technology, or Stanford
1391 Trading, or back to STGGI.

1392 BY MR. SABA:

1393 Q I show you Exhibit 5-B, is a letter dated January
1394 20, 1987. Could you describe the letter?

1395 A It is a letter from Harris, our attorneys, Harris,
1396 Miracle and Orr, to Albert Hakim, Richard Secord, and Royer.
1397 It says instructions received from Royer regarding
1398 \$100,000.

1399 Q Is it your understanding that the contents of the
1400 letter accurately reflects the disposition of the \$100,000
1401 deposit it made with Grays Harbor?

1402 A Yes.

1403 Q I want to ask you a few questions concerning some
1404 companies and some other persons. Are you aware of a
1405 company called Brunati Company?

1406 A Yes.

1407 Q And are you familiar with its principal?

1408 A Yes.

1409 Q What is the name?

1410 A Amelio Brunati.

1411 Q And are you familiar with a corporation called ADM?

1412 A Yes.

1413 Q And what does ADM stand for?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 62

1414 . A Archer Daniel Midland.

1415 . Q What is your relationship with Mr. Brunati or

1416 Brunati Company?

1417 . A Richard Secord and I have been looking into this

1418 company to maybe represent them here in the United States.

1419 They are a high-tech waste management company, and we have

1420 talked with them, at great length about being their North

1421 American distributor.

1422 . Q Are you familiar with a corporation called

1423 Transworld Arms?

1424 . A Trans?

1425 . Q Transworld Arms?

1426 . A No. Transworld Arms, no.

1427 . Q Are you familiar with a company called ^UForway

1428 Industries, Incorporated?

1429 . A Yes, sir.

1430 . Q Will you explain how you are familiar with this

1431 company?

1432 . A American Arms, we brought American Arms into the

1433 ^UForway to take a look at their weapons to see what it would

1434 cost for ~~For~~^Uway to manufacture that weapon.

1435 . Q Who is we?

1436 . A I don't remember Secord or Dutton ex-

1437 . Q Who is Mr. Dutton?

1438 . A Works for Mr. Secord.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 63

1439 . Q When did you first--

1440 . A Visited us to send them to that company.

1441 . Q How did you become aware of ^UForway Industries?

1442 . A Somebody, Secord or Makim or Dutton, said that they

1443 knew of a company that could possibly build that weapon.

1444 . Q What weapon?

1445 . A The American 180.

1446 . Q And when did this someone mention this to you?

1447 . A Four or five months ago.

1448 . Q Can you be more specific?

1449 . A Over what month?

1450 . Q Yes.

1451 . A Let's see, I would say the first of the year,

1452 February, maybe in there some time.

1453 . Q And what is the weapon?

1454 . A It is an automatic weapon that fires 22 rounds of

1455 ammunition.

1456 . Q What did this someone tell you about this ^UForway

1457 Industries?

1458 . A I was told ^UForway had the capabilities of doing this

1459 type of manufacturing.

1460 . Q What was the proposal made to you in respect of

1461 ^UForway?

1462 . A None, just send ^fGofis in and see if this weapon, just

1463 a fact-finding thing, go in and see if the weapon could be

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 64

1464 made.

1465 . Q Someone asked you to contact the Go^fs?

1466 . A No, I don't know what you are saying; someone, yes,

1467 yes, someone told me but I don't think that I contacted the

1468 Go^fs on that situation.

1469 . Q Who did?

1470 . A I think Bob Dutton did.

1471 . Q And did you and the Go^fs meet with anyone from

1472 Forways?

1473 . A I did not.

1474 . Q Did you have any activity with For^uways?

1475 . A No.

1476 . Q What was your involvement?

1477 . A With For^uways?

1478 . Q Yes.

1479 . A None. I was only waiting to see if they could make

1480 the weapon.

1481 . Q Why were you contacted?

1482 . A Why was--

1483 . Q Why were you the one to be contacted by For^uways?

1484 . A Well, Dutton said that he knew that they had done

1485 some defense work; had security there; it would be a good

1486 place to try to do it; we would like to do it on the East

1487 Coast.

1488 . Q So it was Mr. Dutton who contacted you concerning

UNCLASSIFIED

NAME: HIR141002

PAGE 65

UNCLASSIFIED1489 ~~For~~^Wways?

1490 . A Yes, I think so.

1491 . Q Your understanding was that Dutton was an employee
1492 of Stanford Technology Trading Group, Incorporated?

1493 . A Yes.

1494 . Q And that is in Vienna, Virginia?

1495 . A Yes.

1496 . Q And Mr. Dutton then contacted you approximately in
1497 January of 1987; is that correct?

1498 . A Close.

1499 . Q And he simply informed you that ~~For~~^uway Industries can
1500 make the American 180?1501 . A No, he said, he didn't know, he wanted to know, he
1502 thought maybe that they could and that we wanted them to
1503 come in and discuss the possibilities of them making that
1504 weapon and what it would cost and try to make--

1505 . Q Did he ask you to attend such a meeting?

1506 . A No, I don't think so. I think I was going to attend
1507 the summary meeting but we never did get to that.

1508 . Q When was that meeting to have been?

1509 . A February, March, some time in there.

1510 . Q Do you know if such a meeting took place?

1511 . A I don't think a summary meeting ever did.

1512 . Q Do you know if the ~~Gos~~^f, in fact, met with Mr. Dutton
1513 or anyone from STTGI concerning ~~For~~^uway Industries?**UNCLASSIFIED**

UNCLASSIFIED

NAME: HIR141002

PAGE 66

1514 . A I think they did.

1515 . Q But am I correct in saying that you did ~~not~~^{not} attend

1516 such a meeting?

1517 . A No.

1518 . Q Other than what is a telephone call from Mr. Dutton,

1519 or was it a letter?

1520 . A I don't know.

1521 . Q How many times did Mr. Dutton contact you about

1522 ^U~~F~~orway Industries?

1523 . A A couple, just making the arrangements to get the

1524 Gofs there.

1525 . Q And then you contacted the Gofs^F~~A~~?

1526 . A Probably, yes, I probably talked to them a couple of

1527 times during that period of time.

1528 . Q What did you say to them to interest the Gofs^F~~A~~ in

1529 ^U~~F~~orway industries?

1530 . A Well, at that time, we had tried to rearrange the

1531 structure of this thing.

1532 . Q what thing?

1533 . A Of this American Arms problem. And, myself and a

1534 couple other business associates were going to try to

1535 reorganize American Arms, and we were going to try to get

1536 the weapon manufactured, and we would be responsible for the

1537 manufacturing of the weapon, and Stanford Technology would

1538 only access the market, they were no longer involved in any

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 67

1539 type of try to take over, or any reorganization, or putting
1540 any capital in or anything else, myself and my other
1541 business associates were going to do that.
1542 . Q Do you know what the target, the production target
1543 was for the weapons?
1544 . A What was the production target?
1545 . Q How many weapons did they intend to produce?
1546 . A There are all kinds of projections, some guys say we
1547 could sell this, some guys say we could do this, the knew
1548 group was going to try to build a few weapons and take them
1549 into the marketplace and see how many we could sell; it is
1550 easy to project. The best thing to do is build some and put
1551 them in the marketplace.
1552 . Q I wish to show you a document which will be Exhibit
1553 6.
1554 [The following document was marked as Exhibit Royer-6 for
1555 identification:]
1556
1557 ***** COMMITTEE INSERT *****

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 68

1558 . BY MR. SABA:

1559 . Q Are you familiar with this document?

1560 . A I am not, not familiar with the document, but

1561 evidently I may have gotten this. I may not have gotten

1562 this. I understand what all is there because I did get a

1563 special report on Dutton and--

1564 . Q And is it correct that on page 3 of the three-page

1565 document you are shown as having been copied?

1566 . A Yes.

1567 . Q Can you describe the document for us?

1568 . A It is an outline of ^UForway's capabilities of

1569 manufacturing the weapon. It is an outline of ^CGof's response

1570 of trying to get something off the ground and get it going.

1571 . Q It is a memo to Mr. Secord from Mr. Dutton, dated

1572 January 12, 1987; correct?

1573 . A Correct.

1574 . Q Is it your understanding that Stanford Technology

1575 Trading Group International, on whose stationery this

1576 exhibit is typed, would only act as marketer for the

1577 product?

1578 . A That is correct.

1579 . Q Turning to page 2?

1580 . A Yes.

1581 . Q Can you explain the second bullet concerning a 120-

1582 day clock on 1 February 1987, for a production sample June

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 69

1583 1987? What was the intention of that time frame?

1584 . A When you start a project and you start you need to

1585 have a finish time and we felt that if we could get started

1586 by February 1 that by June 1 our first production sample

1587 should be ready.

1588 . Q And you would expect that to occur by June 1987; is

1589 that correct?

1590 . A Yes.

1591 . Q Moving to the next bullet, the item on the same

1592 page, your understanding was that it was intended that there

1593 be a production run of 1,000 American 180-M-25, 3,000

1594 magazines, 2,000 winders?

1595 . A I don't know, that is not my understanding. That is

1596 what this says. I don't know.

1597 . Q Was it your understanding there would be a run of a

1598 substantial number of 180-M-25s?

1599 . A That is what this says. I am not saying that we

1600 would build 1,000 of those. I won't. That is what the

1601 report says.

1602 . Q How many would you have expected?

1603 . A Twenty.

1604 . Q Why 20?

1605 . A You can't eat those damn things, you have to sell

1606 them. So, I would say, build 20 of them for demonstrators,

1607 that is.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 70

1608 . Q Where was it expected these would be sold?

1609 . A Anybody who can legally buy them.

1610 . Q Did you have any further connection with ^UFor^Away

1611 Industries?

1612 . A No.

1613 . Q In discussing the meeting with the ^FGof^As that Mr.

1614 Dutton was proposing, what did you tell the ^FGof^As?

1615 . A You have to ask that again. I don't understand it.

1616 . Q I am asking what you would have told the ^FGof^As that

1617 might have induced them to be interested in the project?

1618 . A This project?

1619 . Q They did attend a meeting?

1620 . A Yes.

1621 . Q So you were successful in having a conversation with

1622 them which led to their having a meeting?

1623 . A We were, at this point prior to the January meeting,

1624 were, myself and another fellow, was going to try to

1625 structure a complete buy-out of American Arms and just buy

1626 them out, buy the patent, buy the whole thing.

1627 And they were, the ^FGof^As were going to go to work for us as

1628 consultants, and we wanted, we told them actually to come to

1629 New Jersey to talk to ^UFor^Away, to see if they did know what

1630 they were talking about, see if they could act as

1631 consultants to build a weapon; and that is why they came.

1632 . Q Who is "us"?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 71

1633 . A ^{who} ~~Mr.~~ is 'us'?

1634 'Us,' referring to what?

1635 . Q You said that a group that you referred to as 'us'

1636 would acquire American Arms and that Gof's ^f would work 'for

1637 us'? Who is 'us'?

1638 . A A new company which would get headed--Frank Lucero

1639 was asked by me to go in and see if he could get this

1640 company restructured and if we could get it restructured we

1641 would go out and raise capital to buy this company out. So

1642 'us,' I don't know, it would be investment capital.

1643 . Q Would this someone be Mr. Secord?

1644 . A No, this would be ~~for~~ ^{for} people right here in the

1645 United States that would invest in something like that. We

1646 had some people we thought might do that.

1647 . Q If that was the case, why did the Gof's ^p go to see Mr.

1648 Dutton and you did not participate in that meeting?

1649 . A Because I was tied up. Dutton was wanting to, we

1650 told Dutton as part of the Stanford Tech and the market

1651 thing to take care of this thing out on the East Coast.

1652 . Q Why would Stanford Technology wish to be involved?

1653 . A To sell the weapons and to understand that this

1654 thing could work right. There is a working together

1655 relationship.

UNCLASSIFIED

NAME: HIR141002

PAGE 72

UNCLASSIFIED

1656 RPTS CANTOR

1657 DCMN GLASSNAP

1658 [8:00 p.m.]

1659

1660 . Q Do you know a Nancy Morabia?

1661 . A Nancy who?

1662 . Q Morabia, M-o-r-a-b-i-a.

1663 . A I don't think I do.

1664 . Q Ron Martin?

1665 . A Maybe, Fourway, I don't know.

1666 . Q Would Martin have been involved in a purchase from

1667 or a shipment of weapons from American Arms?

1668 . A I do not know. I have no idea.

1669 . Q Do you know Mr. Martin, or do you know who he is?

1670 . A When you said Ron, I thought maybe there was a guy

1671 at Fourway by the name of Ron. Wait just a minute. If that

1672 is not him, then I don't know him.

1673 . Q Do you know a Rafael Quintero?

1674 . A No.

1675 . Q Do you know a Richard Gadd?

1676 . A No.

1677 . MR. SIBA: I have no further questions for the

1678 moment.

1679 . MR. CULLEN: Could we take a break for a second.

1680 . [Recess.]

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 73

1681 . . . EXAMINATION BY COUNSEL FOR THE SENATE SELECT
1682 . . . COMMITTEE
1683 . . . BY MR. HOLMES:
1684 . . . 2 Mr. Royer, my name is Cameron Holmes. I am
1685 Associate Counsel with the Senate Select Committee on Secret
1686 Military Assistance to Iran and the Nicaraguan Opposition. .
1687 . . . I would like to go over a few details with you
1688 about the American arms deal. First I am going to hand you
1689 what is now marked as Exhibit Number 7 to your deposition
1690 and ask if you can identify that.
1691 . . . [The Following Document was marked as Royer Exhibit
1692 No. 7 for Identification.]
1693
1694 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 74

1695 . THE WITNESS: Yes, sir. This is a waiver and
1696 termination of partnership between Don Marostica, Larry
1697 Royer and Richard Secord.
1698 . BY MR. HOLMES:
1699 . Q Titled "'Waiver and Termination of Partnership'
1700 sir?
1701 . A Yes.
1702 . Q Drawing your attention to the last page, is that
1703 your signature?
1704 . A Yes, sir.
1705 . Q And that of Secord and Marostica?
1706 . A I think that is Marostica's. I assume that is
1707 Secord's.
1708 . Q You got an original of this for your file?
1709 . A Yes, I think I have, not an original, but I have a
1710 copy of it, I am sure I do.
1711 . Q And you disoused it with Mr. Secord and Mr.
1712 Marostica at that time?
1713 . A Yes, I am the one that set the deal up, negotiated
1714 it.
1715 . Q When was this document finally signed?
1716 . A I would have to look. I don't know.
1717 . Q It was in January of 1987, wasn't it?
1718 . A Probably, yes.
1719 . Q So up until January of 1987, you were still at

UNCLASSIFIED

NAME: N1R141002

UNCLASSIFIED

PAGE 75

1720 | least technically, although not in brotherly love, partners
1721 | with Secord and Marostica?
1722 | . A That is the time it took to get it signed, yes,
1723 | that is correct.
1724 | . Q And after that point in time, you and Mr. Secord by
1725 | virtue of this agreement became the holders personally of
1726 | all of the former assets of the partnership, is that right?
1727 | . A Yes.
1728 | . Q So the \$30,000 note, for example, that American
1729 | Arms still owed to Tri American Arms, the partnership,
1730 | became the assets of yourself and Mr. Secord personally,
1731 | right?
1732 | . A Yes, I guess so.
1733 | . Q And Marostica no longer had an interest in those
1734 | moneys?
1735 | . A That is right.
1736 | . Q And the same would be true of the \$50,000 that
1737 | Ceratech owed the partnership, is that right?
1738 | . A That is correct.
1739 | . Q And those are your assets now?
1740 | . A Yes.
1741 | . Q So when you were dealing with Fourway Industries,
1742 | you had a personal stake in the outcome of the future
1743 | success of American Arms, because it was only through some
1744 | future success that they were going to be able to pay back

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 76

1745 the \$60,000 to you and Mr. Secord?

1746 . A That is correct.

1747 . Q You got into Fourway through Makim and Secord, is

1748 that correct?

1749 . A Yes.

1750 . Q And they told you that they had had previous

1751 dealings with Fourway in the manufacture of out-of-

1752 production military parts?

1753 . A I can't recall that that is what they said. I

1754 can't recall that that is what they said, no.

1755 . Q Did you understand that that is what Fourway's

1756 business was?

1757 . A Yes.

1758 . Q They are sort of a specialty machine shop

1759 operation?

1760 . A That is correct.

1761 . Q They do custom jobs?

1762 . A That is correct.

1763 . Q Primarily in the out-of-production military

1764 industry?

1765 . A That is correct, and that they had government

1766 security and as such would probably be an ideal company to

1767 talk to about building the weapon.

1768 . Q And you stayed in touch with Secord because you had

1769 a financial interest in the Fourway project going forward?

UNCLASSIFIED

NAME: HIR141002

PAGE 77

UNCLASSIFIED

1770 . A Yes.

1771 . Q Did you understand that Fourway was also approached

1772 to manufacture the laser sight attachment to the American

1773 Arms weapon?

1774 . A I don't know about the laser, no. The laser that

1775 American Arms had?

1776 . Q A laser sight. Answer that question first. Were

1777 you aware of any discussions with Fourway about

1778 manufacturing any lasers?

1779 . A No, I was only interested in manufacturing the

1780 weapon, not the laser. No, I was not.

1781 . Q Did you know about any such discussions?

1782 . A No, not that I can recall.

1783 . Q So if Mr. Secord was engaged in discussions about

1784 manufacturing a laser sight that would fit the American Arms-

1785 180, it was without the knowledge of you?

1786 . A Connected with Fourway?

1787 . Q All right, answer the question first in connection

1788 with Fourway.

1789 . A I am not aware of Secord or anybody talking to

1790 Fourway about making, fabricating any kind of a laser for

1791 the American.

1792 . Q And since you made a distinction with Fourway, were

1793 you aware of his conversations with anybody to manufacture

1794 any laser sight?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 78

1795 . A I am aware that General Secord has been looking
1796 into manufacturing of a laser and developing a laser, but
1797 that is about all I know.

1798 . Q Were you ever told that that laser or that any
1799 laser that he was looking into would fit the American-180?
1800 . A Yes, probably. I don't think the laser has been
1801 developed.

1802 . Q I would like to take you back to Exhibit 4 to your
1803 deposition, the handwritten notes. These notes were
1804 written by you, as you have testified before?

1805 . A Yes.

1806 . Q These were prepared as speaking documents for the
1807 meeting in Denver, isn't that correct?

1808 . A I beg your pardon?

1809 . Q You prepared these as reference points for the
1810 meeting in Denver that you had between yourself, Mr. Secord
1811 and Mr. Marostica in May, 1986?

1812 . A Prepared in advance of that meeting?

1813 . Q Yes, isn't that right?

1814 . A I don't know. I do not know if it was before,
1815 after, during. I don't know.

1816 . Q Let me ask you if it isn't true that you brought
1817 these to the meeting and showed them to Mr. Marostica at
1818 the Clarion Hotel in Denver in early May of 1986 with Mr.
1819 Secord.

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 79

1820 . A I don't know. I have no idea. Somewhere they
1821 showed up, but I don't know where we used them.

1822 . Q So you have no basis on which you would dispute
1823 that assertion?

1824 . A I have no basis to?

1825 . Q To dispute that assertion.

1826 . A That I had them in Denver?

1827 . Q Right.

1828 . A I may have, yes.

1829 . Q After the meeting in Denver, you had some written
1830 and spoken conversations with Mr. Hakim about the progress
1831 in Mr. Marostica's search for business opportunities, did
1832 you not?

1833 . A Yes.

1834 . Q And thereafter, on about June the 23rd, 1986, you
1835 met with Hakim and Secord in Vienna, Virginia.

1836 . A And Marostica.

1837 . Q And Marostica?

1838 . A Yes.

1839 . Q Was anybody else present?

1840 . A I don't think so.

1841 . Q It was yourself, Secord, Hakim and Marostica?

1842 . A I think that is all was there.

1843 . Q And one of the purposes of that meeting was sort of
1844 preparatory to the meeting in Washington with Mr. Zuckar?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 80

1845 . A Correct.

1846 . Q And you discussed the various opportunities that

1847 were then on the table as partnership opportunities, is that

1848 right?

1849 . A That is correct.

1850 . Q After that meeting, Mr. Hakim prepared a memorandum

1851 and copied it to you describing those opportunities, didn't

1852 he?

1853 . A Yes.

1854 . MR. HOLMES: I am handing you what is marked as

1855 Exhibit 8 to your deposition.

1856 . [The Following Document was marked as Royer Exhibit

1857 No. 8 for Identification.]

1858

1859 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 81

1860 . BY MR. HOLMES:

1861 . Q Is that the memorandum of Hakim memorializing the
1862 discussions in Vienna, Virginia on June, 23, 1986?

1863 . A Yes.

1864 . Q Did these points accurately reflect the
1865 conversation there in Vienna, Virginia?

1866 . A I beg your pardon?

1867 . Q Did this memorandum accurately reflect the
1868 conversations that the four of you had had in Vienna,
1869 Virginia?

1870 . A That is correct.

1871 . Q You have had an opportunity to read the entirety of
1872 Exhibit number 8 now?

1873 . A Yes.

1874 . Q And it does accurately reflect the meeting of June
1875 23?

1876 . A Yes.

1877 . Q I gather from this document that the intantion of
1878 that meeting was to use the partnership, Tri American Arms,
1879 as sort of a holding company. Is that the terminology that
1880 was used?1881 . A Yes, from that document Marostica decided some type
1882 of holding company would be started.1883 . MR. HOLMES: I am handing you what is marked as
1884 Exhibit Number 9.**UNCLASSIFIED**

NAME: HIR141002

UNCLASSIFIED

PAGE 82

1885 [The Following Document was marked as Royer Exhibit

1886 No. 9 for Identification.]

1887

1888 ***** COMMITTEE INSERT *****

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 83

1889 . BY MR. HOLMES:

1890 . Q And with the exception of the handwritten notes at

1891 the bottom of the page, I will ask you if you recognize that

1892 as a diagram prepared by Mr. Dutton to reflect the same

1893 concept of holding company at about the same time, June 23,

1894 1986.

1895 . A I don't know if I have ever seen this. I can't say

1896 that I recognize that.

1897 . Q You don't recall it?

1898 . A I don't recall it.

1899 . Q Let me ask you if, after having read it, it

1900 accurately summarizes the discussion as to the structure of

1901 what was being talked about at the June 23 meeting?

1902 . A Yes, basically, yes.

1903 . Q The structure as it was then planned was that the

1904 so-called holding company, titled STGI Holding Company by

1905 Mr. Dutton, but in reality named the Tri American Arms

1906 Partnership, was to have general control and oversight over

1907 the four projects under discussion, those being American

1908 Arms, Inc.; Ceratech, International, Inc.; Tri Red Cedar

1909 Associates, Inc.; and Bio Fine Pharmaceuticals, is that

1910 right?

1911 . A Yes.

1912 . Q Mr. Marostica is assigned the comptroller role in

1913 each case, is that right?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 84

1914 . A That is right.

1915 . Q And you are in the sales and marketing role in each

1916 case, is that right?

1917 . A Right. Well, yes, okay.

1918 . Q And Mr. Hakim is assigned domestic international

1919 distributors for each of the four projects.

1920 . A That is correct.

1921 . Q With regard to Bio Fine Pharmaceuticals, was there

1922 a business plan prepared and submitted by Bio Fine

1923 Pharmaceuticals that you had access to through Mr.

1924 Marostica?

1925 . A Yes. I had an^d still have a business plan.

1926 . Q You didn't bring it with you?

1927 . A No, because I testified earlier that I presented

1928 that to Albert Hakim to look into an investment situation

1929 for it.

1930 . Q I understand.

1931 . A And so I didn't bring it. They have nothing to do

1932 with Bio Fine whatever.

1933 . Q Bio Fine business opportunities is now in your mind

1934 no longer?

1935 . A That is correct.

1936 . Q At the time that it was under consideration as of

1937 June 23, 1986, when this diagram was prepared, and this

1938 memorandum, Exhibit Number 8, was prepared listing it as

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 85

1939 project D, the business plan contemplated a substantial
1940 investment in Bio Fine, in order to obtain a return on
1941 capital, is that right?

1942 . A If you bought new machinery, yes.

1943 . Q The plan at the time was to buy new machinery,
1944 obtain a building and a lease, pay salaries for technicians,
1945 doctors, the people necessary. Is that right so far?

1946 . A That is correct.

1947 . Q And before any return on investment was to be
1948 realized, the total investment of about \$2.4 million was
1949 contemplated, is that right?

1950 . A That is right, with that plan.

1951 . Q Yes.

1952 . A That plan had a lot of fat in it.

1953 . Q I understand it wasn't implemented.

1954 . A Yes.

1955 . Q As to Ceratech International, Inc., it also had a
1956 business plan, is that right?

1957 . A Not very much a business plan, no.

1958 . Q It didn't have a big fat formal business plan like
1959 Bio Fine, but it had a notional plan among the parties at
1960 the meeting on June 23rd.

1961 . A That is correct.

1962 . Q And it also required a certain investment of
1963 capital prior to any realization of return, is that right?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 86

1964 . . A That is right.

1965 . . Q And its investment of capital was to run about \$1.5

1966 to \$2 million, is that right?

1967 . . A I don't know that it was that much. I really

1968 don't. I think that--

1969 . . Q What figure do you recall as the total outlay

1970 before a return on investment started to defray the

1971 necessity of additional--

1972 . . A As I stated earlier, I was never for this project,

1973 and these guys jumped around from "X" number of dollars to

1974 triple "X" number of dollars, and if we had ever really

1975 gotten into it, I think it could have been done for \$400,000

1976 or \$500,000 to get it really started.

1977 . . Q What was the number that was being discussed?

1978 . . A Oh, the Caratech people were wanting the moon.

1979 They wanted a lot of money.

1980 . . Q What was the number that they wanted?

1981 . . A A couple million probably, \$1 million-and-a-half in

1982 there somewhere.

1983 . . Q Now the Tri Red Cedar project is another name for

1984 what you have been calling the wood project or the Guinault

1985 timber project, is that right?

1986 . . A That is right.

1987 . . Q And American Arms is what we have been discussing?

1988 . . A Yes.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 87

1989 . Q Drawing your attention on Exhibit 8 to paragraph
 1990 number one, noted 'Project A', that is a one-paragraph
 1991 discussion of American Arms, isn't it?
 1992 . A That is correct.
 1993 . Q And Mr. Hakim, as the writer of this, has listed
 1994 out as American Arms products the American-180 system, that
 1995 is the automatic weapon we have been discussing, right?
 1996 . A That is correct.
 1997 . Q Laser lock sight?
 1998 . A Correct.
 1999 . Q That is the sight that fits on the machine gun?
 2000 . A Manufactured by American Arms.
 2001 . Q Security briefcase.
 2002 . A Yes.
 2003 . Q That is the briefcase that you have pointed out--
 2004 . A That is correct.
 2005 . Q --in Exhibit 1 previously, is that correct?
 2006 . A Yes.
 2007 . Q And also the quad mount 180 weapons system.
 2008 . A Yes.
 2009 . Q Now, the quad mount 180 weapons system is the one
 2010 that you have mentioned earlier, is that right, that you
 2011 mentioned earlier today?
 2012 . A Yes, I think I did, yes.
 2013 . Q Handing you what is marked as Exhibit Number 10, I

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 88

2014 will ask you if you can identify these selected pages as
2015 having come from the promotional materials given to you and
2016 Mr. Marostica by the Go^ofs in connection with the products of
2017 American Arms.

2018 [The Following Document was marked as Royer Exhibit
2019 No. 10 for Identification.]

2020

2021 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 89

2022 . THE WITNESS: Nope, I have never seen this piece.
2023 . BY MR. HOLMES:
2024 . Q What was your understanding of what the quad mount
2025 system consisted of?
2026 . A Well, I have seen it, but I have never seen this
2027 piece of literature, but I understand what the quad is. It
2028 is four automatic weapons that will fire simultaneously.
2029 . Q Do these pages accurately depict what you have seen
2030 as the quad mount system of American arms?
2031 . A No, it is completely different. That part is all
2032 completely different, as it is today, what I have seen.
2033 That drawing does not look like what the machine looks like.
2034 . Q What is different about it?
2035 . A It looks to me like it is encased, and the one that
2036 I have seen is not encased. There is no case or video
2037 camera. No, it doesn't look at all like what I have seen.
2038 . Q What did you see?
2039 . A I just saw four automatic weapons mounted on a
2040 tripod that, once fired, they fire all at once or one at a
2041 time or two at a time, three at a time, nothing like any of
2042 that.
2043 . Q Drawing your attention to page number six, the
2044 skeleton of the system, is that what they looked like that
2045 you saw?
2046 . A This looks to me like they are lined up all on the

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 90

2047 same level, right?

2048 . Q It appears to be that way to me.

2049 . A The one that ^{is now} ~~is now~~ made is two up on top and two
2050 out on the side.

2051 . Q I see, so the configuration is different.

2052 . A The configuration is different. The prism is about
2053 the same.

2054 . Q This is the operational guts of an American-180?

2055 . A Yes.

2056 . Q And what the quad mount is, it is four American-
2057 180s lined up in parallel, right?

2058 . A Correct.

2059 . Q The difference that you are seeing is that these
2060 are all next to each other. You are saying that they are
2061 now two on top and two below?

2062 . A Yes.

2063 . Q And you have never seen a system that was actually
2064 encased in this nice-looking casement?

2065 . A No.

2066 . Q The one now manufactured is to be used in the same
2067 kind of applications, isn't it, as mounted to a permanent
2068 structure on page 14?

2069 . A Or a moving, a mobile.

2070 . Q So one application is mounted to a permanent
2071 structure, and another possible application is mounted to a

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 91

2072 moving vehicle?

2073 . A Or an airplane.

2074 . Q You were nodding. Is that a yes?

2075 . A Yes.

2076 . Q And this is an all-terrain vehicle on page number

2077 9. Is that something that is still contemplated as a

2078 possibility?

2079 . A A lot of imaginary work there. I don't know

2080 anything about it.

2081 . Q You showed us a brochure of a small craft. I am

2082 going to hand you what is now marked as Exhibit Number 11,

2083 and an internal portion that is now marked Exhibit number 11-

2084 A.

2085 . [The Following Documents were marked as Royer

2086 Exhibit No. 11 and 11-A for Identification.]

2087

2088 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 92

2089 . . . BY MR. HOLMES:

2090 . Q First let's talk about Exhibit Number 11 in its
2091 entirety. This is your American Arms file that you brought
2092 with you, is it not?

2093 . A That is correct.

2094 . Q And it contains the various documentation that you
2095 have kept relating to the American Arms project?

2096 . A That is correct.

2097 . Q Exhibit Number 11-A is a brochure contained within
2098 Exhibit 11 depicting a one-manual--light aircraft, is that
2099 right?

2100 . A That is correct.

2101 . Q And could you explain what this brochure is doing
2102 in your American Arms file?

2103 . A American Arms was manufacturing a quad mount
2104 machine gun that they say would mount on the wing of this
2105 particular unit, and consequently when I was in Salt Lake
2106 City, they gave me one of these brochures. It was just
2107 something that showed a potential of what you do with the
2108 quad mount.

2109 . Q And American Arms is examining, I suppose, the wing
2110 structure of vehicles like this, so that they can figure out
2111 how to attach it and operate it from a vehicle?

2112 . A I imagine, but I don't know what American Arms is
2113 doing any more. I don't even know that they are in

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 93

2114 business.

2115 . Q At the time they explained this to you, this is the

2116 Goff talking to you?

2117 . A Yes.

2118 . Q I gather this was at your first meeting in Salt

2119 Lake City in April or May of 1986?

2120 . A That is correct.

2121 . Q And you brought this to the attention of Mr. Secord

2122 and Mr. Marostica?

2123 . A Marostica--well, yes, yes, I took it to the

2124 attention of Secord and Marostica was with me.

2125 . Q Did you have occasion to discuss the possibility of

2126 marketing the quad mount later on with General Secord?

2127 . A General Secord never did think much about the quad

2128 mount.

2129 . Q Didn't you talk about giving General Secord the

2130 right to push the quad mount with the U.S. Army to develop

2131 it?

2132 . A Maybe talked about it, but he shut it off

2133 immediately. He said he never did become interested in it

2134 as a quad.

2135 . MR. HOLMES: Let me show you what is marked as

2136 Exhibit Number 12.

2137 . [The Following Document was marked as Royer Exhibit

2138 No. 12 for Identification.]

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 94

2139

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UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 95

2141 . . BY MR. HOLMES:

2142 . Q Does that refresh your recollection about

2143 discussions that you had with Mr. Marostica with regard to

2144 having Secord push the quad mount system with the U.S. Army?

2145 . A Let's see, what does that say? "Give General

2146 Secord the right to push through the proposal." What is

2147 that, proposal to the U.S. Army to develop--that is not my

2148 writing. I don't know anything about it.

2149 . Q Isn't it true that General Secord actually

2150 contacted the U.S. Army and asked them about the studies

2151 that they had done of the American-180?

2152 . A I don't know if he contacted the U.S. Army.

2153 . Q Who do you know that he contacted?

2154 . A I don't know, I could not name it, but I think that

2155 he at one time talked to someone who tested the weapon.

2156 Whether he was a U.S. Army personnel or who he was, I don't

2157 remember that. I can add to that that there was a report

2158 written by someone who tested the weapon. Maybe that is

2159 all, the extent of how far we went with it.

2160 . Q Did you keep in touch with Mr. Secord after you had

2161 become aware of the ATF raid, about the future of the

2162 American Arms project?

2163 . A Constantly.

2164 . Q Did some of your communications take the form of

2165 telexes?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 96

2166 . . A Probably.

2167 . . Q And did he reply by telex on occasion?

2168 . . A Probably.

2169 . . Q Where are those telexes now? The ones that you
2170 received from him and sent to him?

2171 . . A I would have them in my file, telex file maybe,
2172 incoming, outgoing files.

2173 . . Q Would you be good enough to supply those to the
2174 committee after you arrive back home?

2175 . . A Sure.

2176 . . Q I hand you a collection of telexes now marked as
2177 Exhibit Number 13, and ask if you can identify those telexes
2178 back and forth between you and Mr. Secord, between July of
2179 1986 and October of 1986.

2180 . [The Following Documents were marked as Royer
2181 Exhibit No. 13 for Identification.]

2182

2183 ***** COMMITTEE INSERT *****

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 97

2184 THE WITNESS: Yes. The first one, July 23, '86, I
2185 am reporting to Secord a proposal by American Arms to finish
2186 up a certain amount of semiautomatics, and to manufacture
2187 some magazines, and that we would have to try to invest
2188 "'X'" number of dollars. We didn't have the money so we
2189 decided not to go along with the project, and also talking
2190 about waiting on the land bank to see about their side of
2191 the commitment.

2192 The next one, July 25, I say I see clouds on the
2193 horizon with American Arms. I am trying to get a good
2194 working relationship with the Gofs. I am trying to get
2195 security of the 291 weapons to protect our \$60,000
2196 investment, and I am trying to get the licensing rights, and
2197 I was working on that, trying to get ourselves in a secure
2198 position.

2199 BY MR. HOLMES:

2200 Q Licensing rights would have been of use to Fourway
2201 Industries, is that correct?

2202 A Oh, this is way before Fourway ever even was ever
2203 mentioned.

2204 Q The idea of getting the licensing rights was born
2205 before the idea of going to Fourway, is that what you are
2206 saying?

2207 A Yes. You needed the licensing rights before you
2208 could really move with it. We had to get control of what

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 98

2209 company if we were going to do anything with it. Now
2210 reorganization--

2211 Q You are referring now to the fourth page of Exhibit
2212 Number 13, for the record.

2213 A Yes. I brought in a man by the name of Frank
2214 Lucero, who has--his business is buying and selling and
2215 reorganizing companies, and he and I worked together on a
2216 lot of projects, and I wanted him to take a look at this
2217 profound mess that American Arms was in and give me an idea
2218 of what it was going to take to get this thing restructured,
2219 and this was his report, and it was a pretty bleak report.
2220 It was going to cost a lot of money, a lot of things. We
2221 had to go at it in a different direction, and so this was
2222 the beginning of our bailout of American Arms. The fifth
2223 one--

2224 Q Excuse me, that is the fourth page, I believe.

2225 MR. NOUCHEN: Yes, that is right. The last one was
2226 actually the third.

2227 THE WITNESS: Okay, this is the fourth. I have to
2228 read this one. This, again, is another report from Lucero
2229 to me and for Secord, what we have got to do if we are going
2230 to try to go ahead and do anything with American Arms.

2231 BY MR. HOLMES:

2232 Q This is dated what date, sir?

2233 A I don't know. October, the 28, 1986. If the

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 99

2234 production was right, you could produce and sell these
2235 things, it is a very lucrative venture, but after you look,
2236 and you look at the numbers and things, you think okay, now
2237 how can we get into a business like this with a very minimum
2238 amount of capital involved, and test the market?

2239 . Q You were looking at this point at strictly the
2240 international market, is that true?

2241 . A That is right, except the semiautomatic. There
2242 could be a market here in the United States for the
2243 semiautomatic.

2244 . Q You didn't even have Fourway look at it. You
2245 didn't even have that possibility.

2246 . A Of what?

2247 . Q Semiautomatic.

2248 . A No, I think we only looked at the automatic at that
2249 time. You have to first find out the reason we had Fourway,
2250 what is it going to cost to manufacture the weapon? Where
2251 can we get 20 of them made to go out into the marketplace
2252 and test the market? That is what I wanted to do.

2253 . Q Who was Frank Lucero to you?

2254 . A Frank Lucero is a man that I use as a business
2255 consultant to help me raise capital. He is a venture
2256 capitalist, and a good man, knows how to look into these
2257 situations. That is basically why we bailed out of this.

2258 . Q Where did you first meet Frank Lucero?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 100

2259 . . A Through the machinery business, equipment business.
2260 . . Q What is his ~~name~~ ^{own} business?
2261 . . A Well, what he is, I would call him a venture
2262 capitalist.
2263 . . Q Does he have a business that he goes under?
2264 . . A Basically not any more. I think he sold everything
2265 that he owns right now. He will buy a company, either get
2266 it on its feet and sell it, or he will buy a company and
2267 liquidate it.
2268 . . Q What is WUTCO?
2269 . . A I don't know, something in Georgia. I think that
2270 is something of Western Union.
2271 . . Q Where does Mr. Lucero reside?
2272 . . A In Pennsylvania.
2273 . . Q Where in Pennsylvania?
2274 . . A That is close to Harrisburg, some little town out
2275 there. I think the company that he has almost finished with
2276 right now is located at Myerstown, Pennsylvania.
2277 . . Q Isn't he involved with the Brunadi deal?
2278 . . A No.
2279 . . Q Have you been involved in other business
2280 arrangements with Mr. Lucero in the past?
2281 . . A We are getting involved in some, yes.
2282 . . Q What are they?
2283 . . A One is the liquidation of a plant that he has up in

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 101

2284 Myerstown, Pennsylvania, that he owns. I am going to
2285 liquidate that. That is basically it right now. I am
2286 getting tired.
2287 . The other one he and I are going to try to
2288 structure, we are going to try to put that thing together,
2289 and we have worked on that. I think we can do it if we
2290 don't get too much more press.

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 102

2291 RPTS THOMAS

2292 DCHM PARKER

2293 [8:45 p.m.]

2294 BY MR. HOLMES:

2295 Q And Mr. Lucero was discussing entering that

2296 business as a financier, I assume.

2297 A That is right.

2298 Q Not as an operating person.

2299 A No, to help raise the capital for it.

2300 Q Let me show you what has been marked as Exhibit

2301 Number 14. This is a Telex to you from Mr. Lucero, dated

2302 October 30, 1986. The SLC operation he refers to is the

2303 Salt Lake City operation; is that correct?

2304 A Yes.

2305 Q This is the American ^uarms deal.

2306 A Yes.

2307 Q And when it refers to the second page of this

2308 document to taking it off shore, had you discussed that

2309 possibility with Mr. Lucero before?

2310 A Yes, we had.

2311 Q Was that in connection with the possibility at this

2312 point in time of having ^uForway Industries involved?

2313 A No, we wouldn't have taken it off shore if we were

2314 going to have ^uForway do it. There is a possibility you

2315 could have the thing made anywhere in the world.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 103

2316 . Q I would like to refer you back to Exhibit Number 6.
2317 Does it refresh your recollection to know that Mr. Lucero
2318 has been copied by Mr. Dutton in this memo to Mr. Secord.
2319 . A that is right because I have brought Lucero into
2320 the picture to look at the thing and see if we can make it
2321 fly so he is involved in looking strictly as a financial
2322 consultant telling me what to do, how to do it.
2323 . Q Mr. Lucero refers to a plant in Latin America in
2324 this telex, Exhibit Number 14. What discussions have you had
2325 with Mr. Lucero about a manufacturing capability in Latin
2326 America.
2327 . A None in Latin America, passing comment, nothing.
2328 As far as I am concerned this thing is dead, this American
2329 Arms thing.
2330 . Q Is that true also of Mr. Lucero?
2331 . A I think that, yes, I think so. I don't think that
2332 we are going to do anything with American Arms, it can't be
2333 revived. There is too much debt.
2334 . Q When Mr. Lucero wrote to you, "I would suggest
2335 parts made off shore in a country like Brazil where I have a
2336 plant now, or lower western Europe," what did you take that
2337 to mean at the time?
2338 . A I take it to mean that you know if we are going to
2339 do it we can either do it here in the United States or we
2340 can if we are going to do it we can go off shore to Brazil

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 104

2341 or to wherever and have the weapons manufactured.

2342 . Q What plant did Mr. Lucero have that he referred to

2343 in Brazil?

2344 . A He has a food processing plant.

2345 . Q It has a machining capability.

2346 . A No. No.

2347 . Q It is capable of making parts.

2348 . A No, Brazil has a machine capability, but not his

2349 plant.

2350 . Q I see. So he was suggesting that you go to Brazil

2351 not because of his plants, but because he had contact.

2352 . A He had contact in Brazil, right.

2353 . Q It goes on to suggest that for U.S. dollars,

2354 \$500,000, approximately \$250,000 plus \$250,000 over time, plus

2355 \$1 million for a new company, about \$200,000 cash plus

2356 \$800,000 required over a year which would include line of

2357 credit of about \$200,000, investment would be \$1.5 million,

2358 cash needed about ~~point~~ \$5 million.

2359 . A That is correct.

2360 . Q Are these the terms that you understand that you

2361 and he were interesting in trying to salvage ^{American} arms on October

2362 30?

2363 . A That is what it was going to take at that time.

2364 . Q At that time this point in time Mr. Secord is fully

2365 aware of all these negotiations.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 105

2366 . A Yes, sir, but--

2367 . Q As a matter of fact, these records were from Mr.

2368 Secord's office.

2369 . A He was, because if we ever did get revitalized we

2370 wanted Secord to do the marketing.

2371 . Q You were copying Secord with the discussions

2372 between you and Mr.--

2373 . A I had to use everybody to try to advise how to get

2374 it. We got \$60,000 invested and we wanted to try to recoup

2375 it some way, so I wanted Mr. Secord to keep on the market

2376 and and Lucero to figure out how we could get the thing

2377 funded, and that is basically why I was keeping everybody up

2378 to speed.

2379 . Q Okay. I had a few questions as we went through

2380 your testimony that I would like to revisit for a moment.

2381 . You mentioned a trip to Europe that you took with

2382 yourself and a female friend and Mr. and Mrs. Secord in

2383 1983.

2384 . A Mr. Secord.

2385 . Q How about Mrs.--

2386 . A No.

2387 . Q Just Mr. Secord?

2388 . A Yes.

2389 . Q Okay. What places were visited on that trip?

2390 . A London, England and Italy.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 106

2391 . . . Q That was a five-day rip?

2392 . A Yes, basically.

2393 . Q Was Mr. Secord on vacation or was he working?

2394 . A No, he was on vacation, and I invited him to go,
2395 and I just invited him to go, wanted him to go, wanted to
2396 take him as I said in previous testimony. I was wanting to
2397 see if he could work out something with him to represent us
2398 in some countries selling machinery.

2399 . Q Was Mr. Secord with you at all times on that trip?

2400 . A No, he left for a day. He stayed behind in London
2401 for a day, I think, and then he met up--we met up again in
2402 Italy somewhere, Rome or--

2403 . Q That was the next day?

2404 . A Next day or day after, something like that.

2405 . Q So he was with you?

2406 . A Most of the time.

2407 . Q Four of the five days?

2408 . A Yes.

2409 . Q Did Mr. Secord rely on you to finance this trip?

2410 . A Yes, I financed that trip.

2411 . Q I gather you took it as a business expense?

2412 . A Yes, I offered to do it.

2413 . Q And you would have records relating to the trip, I
2414 assume.

2415 . A Yes.

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 107

2416 . . Q Is it possible that that trip was in April of 1983
2417 and not October of 1983?
2418 . A I don't think so because when I came back, I came
2419 back and left right from New York and went to Minnesota to
2420 an auction. It was colder than billy hell. I think it was
2421 in the fall. I don't believe it was in the spring. I am
2422 almost sure it was in October.
2423 . Q From what point in the United states did you
2424 depart?
2425 . A Newark.
2426 . Q Newark?
2427 . A Yes.
2428 . Q And you left with Mr. Secord?
2429 . A Yes.
2430 . Q On the same plane?
2431 . A Yes.
2432 . Q And you arrived back in which airport?
2433 . A Newark.
2434 . Q Mr. Royer, you mentioned a fish meal business that
2435 you and Mr. Marostica were involved in. I wonder if you
2436 have heard of a business known as Grain Feed Fish Limited.
2437 . A No.
2438 . Q Have you ever discussed with Mr. Secord the
2439 possibility of either of you investing in a business that
2440 engaged in the farming of fish?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 108

2441 . A Secord had asked me on occasion what would it cost
2442 to put up something like that, but very vaguely, nothing, no
2443 serious negotiations or anything at all.

2444 . Q What negotiations were there? You^S said there were
2445 no serious negotiation^Y. Were there any negotiations?

2446 . A No. In fact, what would it cost to--I was building
2447 a plant in Sterling and Secord said to me, "What does a
2448 plant like that cost?"

2449 . Q What period of time are we talking about?

2450 . A When I was building the fish plant in 1986, 1986,
2451 the spring of 1986, what would something like that cost, and
2452 I told him and that was about the end of it.

2453 . Q Do you know whether he ever visited any other fish
2454 farm businesses with an eye toward investing?

2455 . A No, I don't know.

2456 . Q The money that Mr. Zucker obligated CSF to supply
2457 to the timber venture, the \$5 million, three-year obligation,
2458 what was the business contingency plan in the event that the
2459 obligation caused somebody to rely on the obligation and
2460 then the obligation was withdrawn?

2461 . A Back up. Do that again.

2462 . Q Suppose Mr. Zucker had decided in midstream he
2463 didn't want to go through with the deal and the Federal Land
2464 Bank ^{then} ~~issued~~ you and SRH, ² what was your business contingency
2465 plan to defend yourself from that possibility?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 109

2466 . . A You are saying if we got halfway in the project and
2467 Zucker backed out, and--I don't understand. In other words,
2468 if he committed the money, we were in the project. It could
2469 self-liquidate it out.

2470 . . Q If he spent some of the money and then changed his
2471 mind, what protected you from a law suit by the Federal Land
2472 Bank for breach?

2473 . . A That is you would have to talk to Miracle and Orr
2474 about it, I don't know.

2475 . . Q You don't know.

2476 . . A No.

2477 . . Q It was never discussed.

2478 . . A Never discussed.

2479 . . Q There was nothing in writing that protected you
2480 from that possibility.

2481 . . A I don't think so. I don't know.

2482 . . Q The money that Zucker provided to Secord for the
2483 first \$5,000 American 180's, what was the interest rate on
2484 that money.

2485 . . A I don't know. I do not know.

2486 . . Q Did you ever discuss it?

2487 . . A No, I don't know.

2488 . . Q Was there any security for that investment by
2489 Zucker and Secord?

2490 . . A I don't know.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 110

2491 . Q You never had discussed that with Secord or Zucker.
2492 . A No. Hakim would know that.
2493 . Q Is there any written document that guaranteed
2494 Secord's repayment to Zucker of that money?
2495 . A I do not know.
2496 . Q You never discussed that.
2497 . A No.
2498 . Q As to the \$100,000 offer necessary in the Wood
2499 project, was there an interest rate involved in the lending
2500 so-called of that money by Zucker to the project?
2501 . A I do not know.
2502 . Q Was there any document that styled that a loan?
2503 . A I don't now.
2504 . Q Was there any guarantee on paper that that loan
2505 would be repaid to Zucker?
2506 . A I don't know.
2507 . Q None of these things were discussed.
2508 . A The repayment, no, I don't think there was--because
2509 we sent the money back to STIGI.
2510 . Q What actually happened, it went back to STIGI.²
2511 . A Yes.
2512 . Q So in fact Zucker didn't get his money back.
2513 . A That is right, I don't know. As far as I know it
2514 went back there and what happened to it after that I don't
2515 know.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 111

2516 . Q And as the one-third interest holder, SRH, you were
2517 not concerned that SRH had sent one, somewhat less than
2518 \$100,000 to a third party and not back to the person who had
2519 originally loaned it.

2520 . A I was taking my instructions from Hakim what to do.
2521 . Q You never discussed that with Zucker.
2522 . A Hakim or me.
2523 . Q You never discussed that with Zucker.
2524 . A No.
2525 . Q So you understand that Hakim spoke to Zucker, in
2526 other words.

2527 . A I understand that Hakim spoke for Hakim. He said,
2528 "Send it back to Stanford Technology."
2529 . Q You started off with the assumption--
2530 . A I don't know.
2531 . Q With the understanding that as Zucker ~~said~~, then
2532 you took Hakim's word for the proposition you should send it
2533 to Hakim.

2534 . A If Hakim told me send it there, that is where I
2535 said to send it.

2536 . Q So in--
2537 . A Hakim can handle Zucker.
2538 . Q That is my point. You were leaving Hakim to handle
2539 Zucker.
2540 . A Yes, sir.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 112

2541 . Q I assume what Hakim said went for Zucker, too.

2542 . A That is right.

2543 . Q What was the written understanding by which you,

2544 Mr. Secord and Mr. Hakim were going to split the proceeds of

2545 the SRH Inc., one-third, one-third, one third?

2546 . A Written?

2547 . Q Yes.

2548 . A A gentleman's hand shake.

2549 . Q Was there any stock in that company ever sold.

2550 . A Sold? No.

2551 . Q Was there any issued?

2552 . A I don't know. I do not have stock certificates,

2553 no. I don't think we got around to that.

2554 . Q You did style it a corporation as opposed to a

2555 partnership.

2556 . A Yes, sir, it is a corporation, and the

2557 stock--Miracle and Orr would have to tell were that stock

2558 was. I don't know where it was. I don't have it.

2559 . MR. NOUCHEN: The general rule when lawyers set up

2560 a corporation like this is they issue the stock and probably

2561 keep it in the stock book without delivering it to the

2562 owners.

2563 . BY MR. HOLMES:

2564 . Q On the record they would certainly discuss it with

2565 you when they decided to issue the stock and have you have

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 113

2566 one-third of it.

2567 . A Yes, sir.

2568 . Q They didn't do that in this case.

2569 . A They discussed it that we would have a third, third

2570 and third.

2571 . Q Of the stock.

2572 . A Of the stock.

2573 . Q So it was planned to have stock.

2574 . A Yes.

2575 . Q That was the mechanism by which you were going to

2576 divide the proceeds?

2577 . A That is right.

2578 . Q That was what he--

2579 . A As he said, the stock is probably in the stock book

2580 in Washington.

2581 . Q You didn't have any employment contract with SRH?

2582 . A No.

2583 . Q Your interest was entirely--

2584 . A Stock.

2585 . Q A stockholder's interest.

2586 . A That is right.

2587 . Q Yes.

2588 . A Yes, sir.

2589 . Q Now you have referred me to Mr. Miracle for the

2590 possibility that there are records relating to SRH. Are you

UNCLASSIFIED

UNCLASSIFIED

NAME: MIR141002

PAGE 114

2591 willing to waive the attorney/client privilege on behalf of
2592 yourself and SRM so we can inquire of Mr. Miracle what it is
2593 that SRM has?

2594 . MR. NOUCHEN: I don't know it is his privilege to
2595 waive. He is a stockholder. He is not the stockholder. In
2596 fact, I wouldn't know as I sit here whether he has any stock
2597 although I believe he does have.

2598 . BY MR. HOLMES:

2599 . Q As a communication between yourself and Mr.
2600 Miracle, are you prepared to waive the attorney/client
2601 privilege so we can ask Miracle about those communications?

2602 . A I don't know. He would have to answer that.

2603 . MR. NOUCHEN: I don't think so. I don't think that
2604 they would do you any good, to be truthful. I think you
2605 would have to have a waiver of all stockholders before
2606 Miracle and anybody in the firm would talk to you or divulge
2607 any records. Larry is willing to if the others are.

2608 . THE WITNESS: Yes, sir.

2609 . MR. HOLMES: You are aware from watching national
2610 television what our position is on the others.

2611 . how. No, what is your--

2612 . MR. HOLMES: Secord told us no thanks.

2613 . THE WITNESS: You know I think everything on the
2614 corporation is right here in this file.

2615 . MR. NOUCHEN: That isn't quite so, so don't say

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 115

2616 something that isn't so. The truth of the matter is you
2617 understand there are lawyers who start a corporation, and
2618 they keep the export books and they keep all your stuff, and
2619 they never even let you see it and that is probably what
2620 happened out in Washington.

2621 . You don't have the export book, right?

2622 . THE WITNESS: All I have is this paper.

2623 . MR. MOUCHEN: Did you ever see them?

2624 . THE WITNESS: No.

2625 . MR. HOLMES: For the record, you are referring to
2626 the file exhibit 5-D.

2627 . THE WITNESS: Yes.

2628 . MR. HOLMES: I am interested not only in records
2629 which apparently stocks not in this file, but also in
2630 communications which by their nature are not in this file.

2631 . THE WITNESS: I understand.

2632 . BY MR. HOLMES:

2633 . Q You are declining to waive the privilege?

2634 . A I would do it if the rest would.

2635 . Q You testified that when the Iran₂contra
2636 investigation began, everything stopped. I would like to
2637 know what communications you had with Mr. Secord about the
2638 investigation and when you first had such a communication.

2639 . A Ask the first part of that again.

2640 . Q All right. I am referring you back to part of your

UNCLASSIFIED

UNCLASSIFIED

NAME: MIR141002

PAGE 116

2641 testimony earlier, in which you said that when the
2642 investigation started everything stopped, you were referring
2643 to the Wood deal.

2644 . A Yes, sir.

2645 . Q I would like to know when you first discussed the
2646 investigation with Mr. Secord.

2647 . A I never did really discuss the investigation with
2648 him. I was more concerned with how we were going to get
2649 this with Zucker pulling out, how we were to get it
2650 financed, and I was really--have not really been concerned
2651 with the investigation until you guys got me in here. I
2652 have been watching it on television. I was not concerned.
2653 I was only concerned in trying to get this company
2654 restructured and how we could get it financed again.

2655 . That is why I brought Lucero into the act.

2656 . Q I want to know when you first had a conversation
2657 with Mr. Secord in which the fact of the investigation was
2658 brought up.

2659 . A The fact of the investigation?

2660 . Q What was going on there was such a thing.

2661 . A It was just common knowledge. I don't know whether
2662 he asked me, whether he told me the investigation.
2663 Everybody in the world knows the investigation is going on.

2664 . Q Start from the other direction. You have talked
2665 about the fact of the investigation with Mr. Secord, have

UNCLASSIFIED

NAME: N1R141002

PAGE 117

UNCLASSIFIED

2666 you?

2667 . A Yes.

2668 . Q He has been in constant communication with you in
2669 relation to at least to these business dealings over the
2670 last since--

2671 . A No, sir.

2672 . Q since May 1986.

2673 . A No, sir. We have never discussed anything about
2674 the investigation of any of this stuff, none of it.

2675 . Q Let me get you straight. You are telling me that
2676 in spite of all the times you have talked to Mr. Secord on
2677 the phone, and in person since May of 1986, that it has
2678 never come in these conversations that he was under
2679 investigation in the Iran contra--

2680 . A Constantly, sure. We know--I knew he was under.
2681 investigation, sure.

2682 . Q Taking the first such conversation, I would like to
2683 know when it took place.

2684 . A I have no idea when the first--when it started. I
2685 mean, he is a friend of mine and I knew that he was being
2686 investigated. Everybody was, but I don't know what it--

2687 . Q When did you first find that out from him, when did
2688 it first come up?

2689 . A I have no idea when it first broke. That would be
2690 whenever press men in the United States started talking

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 118

2691 about it and everybody started asking questions.

2692 . Q Approximately when was that to the best of your
2693 recollection?

2694 . A I imagine everyone seemed it seemed like a long
2695 time ago. I don't know when it was. I don't know what you
2696 are--I would be more than happy to answer if I knew what you
2697 are wanting me to say, what you want me to answer.

2698 . Q I want you to tell me what conversation you have
2699 had with Mr. Secord about this investigation.

2700 . A Very, very, very little, honestly. You guys have
2701 had Mr. Secord here. Even his wife can't talk to him. I
2702 haven't talked to him since. I am more interested in
2703 keeping the projects afloat.

2704 . Q There was a time in September 1986 when you had
2705 under discussion in Exhibit 5 a deal with Federal Land Bank
2706 in which the figure, \$5.7 million, was being discussed;
2707 isn't that right.

2708 . A Yes, sir.

2709 . Q At that point in time you, Hakim and Secord were in
2710 the process of getting a Canadian bank account with SRH
2711 through Miracle; is that right?

2712 . A That is correct.

2713 . Q After that time, you had a then-current loan
2714 commitment from CSF to cover that deal, right?

2715 . A Correct.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 119

2716 . . Q Then there came a time after that, in which the
2717 loan commitment was no longer operative, Mr. Zucker had
2718 withdrawn it, right?

2719 . A That is right.

2720 . Q How did you first learn that Zucker's reason for
2721 withdrawing that was the Iran investigation?

2722 . A How did I learn that?

2723 . Q Yes.

2724 . A I think Secord probably told me.

2725 . Q Well, I wonder if you could tell me about that
2726 conversation.

2727 . A No, no. I would say that it would go something
2728 like this. Look, Zucker is backing out, because of the Iran
2729 controversy. He is ~~backing~~^{backing} out, and so here we sit. Where
2730 do we go from here?

2731 . Q That the first time you heard about the Iran
2732 controversy from Mr. Secord?

2733 . A Probably right in there.

2734 . Q When did it take place?

2735 . A I don't know in what--this is 1987. It took place
2736 when it blew, when was it?

2737 . Q Let's look at Exhibit 5-C. Exhibit 5-C is a letter
2738 dated November 7, 1986, and it refers to a draft of a loan
2739 commitment agreement by which CSF agrees to loan up to \$5
2740 million to SRH; is that right?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 120

2741 . . A . Correct.

2742 . . Q . So at this point in time, November 7, 1986, the

2743 loan commitment was in tact and you had not yet heard from

2744 Mr. Secord about an Iran investigation; is that right?

2745 . . A . I would assume that is correct.

2746 . . Q . On January 5th, 1987, the \$100,000 deposit, what was

2747 left of it, was returned to SITGI; is that right?

2748 . . A . That is correct, right after January 5th.

2749 . . Q . So we have got it between November 7th and January

2750 5th.

2751 . . A . December is probably when it went sideways,

2752 sometime in December.

2753 . . Q . Approximately when?

2754 . . A . I don't know.

2755 . . Q . Do you remember reading anything in the newspapers

2756 about Mr. Secord prior to your conversation with him on the

2757 phone about the Zucker loan commitment?

2758 . . A . Newspapers?

2759 . . Q . No, do you remember reading anything in the

2760 newspapers about the Iran-contra investigation linking it to

2761 Mr. Secord prior to the time that Mr. Secord told you that

2762 Zucker was pulling out?

2763 . . A . I don't know. I really don't know.

2764 . . Q . What did Secord say when he told you Zucker was

2765 pulling out? What was his explanation?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 121

2766 . A It was very vague. It was like he just said
2767 because of the Iran problem Zucker is pulling.
2768 . Q This was pretty important? This was a pretty
2769 important time?
2770 . A Yes, sir.
2771 . Q You were standing to make several million dollars
2772 from it.
2773 . A Yes, sir, if Richard Secord says that this guy is
2774 pulling out, why should I set there and say why? I have got
2775 a girl friend like that who wants to know every little
2776 detail, why?
2777 . He says he is pulling because of the Iran
2778 situation. It is going to be impossible to make a deal with
2779 him, and I said, "Okay, I understand."
2780 . Q Why would Mr. Zucker care whether Mr. Secord was
2781 under investigation?
2782 . A I don't know.
2783 . Q Did Mr. Secord explain that to you?
2784 . A No.
2785 . Q Why would the Quinault timber investment be any
2786 worse because Congress is investigating some contras and
2787 some missiles in Iran?
2788 . A I don't know. I do not know.
2789 . Q He never told you why?
2790 . A No, and I do not know.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 122

2791 . Q What connection is there between Mr. Zucker's \$5
 2792 million and the Iran investigation?
 2793 . A I don't know.
 2794 . Q Did Mr. Secord ever explain that to you?
 2795 . A No.
 2796 . Q Did you ever ask him to explain it to you?
 2797 . A No.
 2798 . Q Is that because you assumed it was the missing
 2799 money?
 2800 . A Beg your pardon?
 2801 . Q Is that because you assumed that \$5 million was
 2802 some of the missing money?
 2803 . A Me? Assume that?
 2804 . Q Yes.
 2805 . A No, I didn't. What missing money? What missing
 2806 money? No, no. I got--we had a loan commitment from CSF,
 2807 evidently.
 2808 . Q Mr. Royer, are you aware that CSF has an equity
 2809 position in ^uForway Industries.
 2810 . A No.
 2811 . Q Did you ever discuss the equity holders in ^uForway
 2812 Industries with Mr. Secord?
 2813 . A No.
 2814 . Q With Hakim?
 2815 . A No.

UNCLASSIFIED

NAME: N1R141002

UNCLASSIFIED

PAGE 123

2816 . . Q Did they ever tell you they were part owners of
 2817 CSF?

2818 . A I think Dutton had told me at one time that Zucker
 2819 was involved in it, but I didn't know that.

2820 . Q Mr. Hakim speaks for Mr. Zucker, correct.

2821 . A In some matters, or used to. I don't know if they
 2822 do now or not.

2823 . Q I suppose we will have to find Mr. Zucker to find
 2824 out.

2825 . A I imagine you have to ask Mr. Zucker and Mr. Hakim.

2826 . Q Now, if you were in a joint venture, how did you
 2827 see your position in the ^uForway's operation?
 ^

2828 . A None.

2829 . Q So you were simply helping along in order to help
 2830 get your investment in American arms back.

2831 . A If we restructured American arms we needed someone
 2832 to manufacture the weapons, whether we manufactured it here,
 2833 or off shore, Thailand, Korea, Brazil or where, ^uForway was
 ^
 2834 one of possibilities of manufacturing the weapon.

2835 . Q As of that point in time you were still engaged in
 2836 the hope tat least that SRM and the Guinault timber deal
 2837 would go through; is that right?

2838 . A Yes.

2839 . Q So you were--

2840 . A I am still hopeful I can get it put back together.

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 124

2841 . . . Q You were partners in a manner of speaking with
2842 Secord and Hakim through the device of the one-third, one-
2843 third, one-third share holding.

2844 . A In the ~~wood~~ deal?

2845 . Q In the SRH.

2846 . A Yes, SRH has nothing to do with ^uForway.

2847 . Q That was my next question. Why wouldn't Secord
2848 tell you that Zucker had an equity interest in the company
2849 that you and he are contracting with to try and make back
2850 you~~x~~ and his personal investment?

2851 . A I think Dutton told me--let me say this. Richard
2852 Secord was very busy at those times and there is a lot of
2853 times we didn't discuss those type of things. I didn't
2854 care. I could care less who made that weapon. As long as
2855 we were going to buy it, I wanted somebody to make it, and
2856 it was said to me that ^uForway ought to be a company. I said,
2857 "Fine, let's get them out there."

2858 . We went out there and took a look at--

2859 . Q SITGI was still going to be in a market position
2860 under the ^uForway arrangement, wasn't it?

2861 . A Whoever manufactured it, it, SITGI, would be the
2862 manufacturer or would be the marketer.

2863 . Q They are still going to have the same market
2864 arrangements.

2865 . A That is right.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 125

2866 . Q Referring you back to Exhibit Number 4 to your
2867 deposition, on page 3 you previously testified that this 25
2868 percent commission based on the one thousand per unit
2869 notation, is your notation that STTGI was going to be
2870 getting 25 percent commission; is that right?

2871 . A Yes, sir, that is what it says.

2872 . Q This notes out a \$1,372,000 commission to STTGI in
2873 the event that this particular number of units described to
2874 the Saudis and contras is sold at \$1,000 per unit is that
2875 how this was arrived at.

2876 . A That is probably right, correct.

2877 . Q Okay, is this 25 percent commission to STTGI going
2878 to be paid before or after the one-third, one-third, one-
2879 third split that was split amongst yourself personally; that
2880 is, Richard Secord and Don Marostica?

2881 . A I think it would be common practice that the sales
2882 commission is an expense of the company, so they would be
2883 double dipping so to speak.

2884 . Q Okay, so, just so I understand you, STTGI goes out
2885 and sells, say, 1,000 units.

2886 . A They are entitled to 25 percent commission. If
2887 there is \$500 left over, Marostica would have gotten a
2888 third, and I would have gotten a third, and Dick Secord
2889 would have gotten a third.

2890 . Q And in your mind, at least under the discussion

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 126

2891 that ensued with this Exhibit Number 4, that it wouldn't
2892 have made any difference whether you were selling to the
2893 Saudis or contras or anybody else in the world, just whoever
2894 they sold it to.

2895 . A It would certainly make a difference.

2896 . Q My question is, does it make a difference who the
2897 customer is as far as their commission? They get the 25
2898 percent commission whether they sell it to person A or
2899 person B?

2900 . A Yes, I would think, and unless as long as they sold
2901 it legally to people that--if he were manufacturing the
2902 weapon in the United States, and the department.

2903 . Q I am not asking whether you were licensing illegal
2904 sales. I am just asking how you intended to split the
2905 money.

2906 . A Sure if they go out and create a sales they should
2907 be able to be entitled to 25 percent commission. These are
2908 just bare bone notes.

2909 . Q I understand that, and I understand that the sales
2910 never took place. What I am getting at there was no
2911 discussion among the three of you that the sales to the
2912 contras would be on any different basis than the sales to
2913 the Saudis that were contemplated.

2914 . A I don't know. I would say, no. I don't really
2915 know why this contra thing is in there. I don't know. I

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 127

2916 | really don't know.

2917 | . Q Didn't the Go^ffs show you a number of exportation
| ^

2918 | license applications for the American 180?

2919 | . A You are saying sales that they actually made?

2920 | . Q License applications so they would be qualified

2921 | legally to sell abroad.

2922 | . A Show me that?

2923 | . Q Right.

2924 | . A I don't know.

2925 | . Q Do you recall seeing a collection of such

2926 | documents?

2927 | . A They showed me so much paper work you need a

2928 | shredder to get rid of all of it. I don't remember what all

2929 | they showed me.

2930 | . Q Did you ever discuss the formation of SRH with Don

2931 | Marostica?

2932 | . A No.

2933 | . Q ~~Now~~ SRH was formed.

2934 | . A After, or during the time we were trying to

2935 | dissolve our partnership with Marostica.

2936 | . Q Yes, during the time you were in the process of

2937 | dissolving your partnership.

2938 | . A Yes, sir.

2939 | . Q But prior to the time that was actually dissolved.

2940 | . A Beg--

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 128

2941 . Q Prior to the time it was actually dissolved, that
2942 is a yes?
2943 . A Yes, that is the answer.
2944 . Q Why did you not tell Don Marostica, your partner,
2945 about your formation of another partnership, SRH, to exploit
2946 this same business opportunities of being the Guinault/Wood
2947 project.
2948 . A I told Marostica--knew exactly that we were--we had
2949 agreed a long time before written things, written contract,
2950 that he--that we were going to separate. We had probably
2951 three, two and half months off trying to get the money--some
2952 of this money sent back to me. Okay.
2953 . Q You have told me that you never discussed SRH with
2954 Don Marostica.
2955 . A I don't think I have ever discussed it. None of
2956 his business.
2957 . Q Do you know whether Secord did?
2958 . A Probably not.
2959 . Q And your position is it was none of his business?
2960 . A As far as I was concerned. As far as I was
2961 concerned, Marostica was now no longer a part of this group
2962 trying to put these projects together. We knew it and I
2963 knew it. Secord knew it, and everybody knew it.
2964 . Q After the raid by ATF on the government sand the
2965 Colorado machine shops that were producing your reserves,

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 129

2966 did you discuss the ATF raid with Mr. Secord?

2967 . A Several times.

2968 . Q I think you testified that, "We thought they

2969 should sue ATF."

2970 . A Yes. Secord and I both felt that American arms

2971 should sue ATF.

2972 . Q Didn't you in fact solicit money from Marostica to

2973 fund the law suit against ATF?

2974 . A Yes, I did.

2975 . Q Seventy-five hundred dollars for each partners was

2976 your proposition?

2977 . A Yes.

2978 . Q And Secord was--

2979 . A Secord was to put up seventy-five. I was going to

2980 put up 75 hundred and Marostica. No, he didn't. He

2981 wouldn't do it.

2982 . Q Marostica wouldn't do it?

2983 . A No, that is right.

2984 . Q Have you ever heard of a company called Hydra, H-Y-

2985 D-R-A?

2986 . A Hydra?

2987 . Q That's right.

2988 . A No.

2989 . Q Have you discussed with Secord or Hakim their

2990 source of laser ^{sighting} ~~sighting~~ equipment?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 130

2991 . . A No.

2992 . . Q I think you testified that it was your

2993 understanding that Secord was going to obtain alternate

2994 laser ~~setting~~^{sighting} equipment for the American 180 in the

2995 marketplace. Was that your understanding at that time?

2996 . . A Yes.

2997 . . Q And that you thought he might be able to get~~ting~~ it

2998 in Korea.

2999 . . A No, I didn't know where he was getting it. I don't

3000 think I testified to that.

3001 . . Q You don't recall testifying that he wanted to use a

3002 laser built in Korea?

3003 . . A I recall that they were not satisfied with the

3004 laser that American arms was building and that they had a

3005 possibility of getting another laser that they were trying

3006 to get developed. I don't even know if they got it

3007 developed yet or not. Whichever laser came out best was the

3008 one that was going to go on it.

3009 . . Q When did you last talk to Don Marostica?

3010 . . A A couple of days ago, three or four days ago.

3011 . . Q Did you call him or did he call you?

3012 . . A He called me first.

3013 . . Q When was that?

3014 . . A Oh, sometime last week.

3015 . . Q Where did he call you?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 131

3016 . . A At my office.

3017 . . Q What was said?

3018 . . A The same old thing¹ you always say what is

3019 happening, wants to know what is going on and basically just

3020 wanted me to tell him what was going on, and I don't

3021 remember what we talked about in that conversation.

3022 . . Q You had just recently seen the story of the

3023 Quinault timber project on national TV, hadn't you?

3024 . . A The first conversation, no. He called me--what's

3025 happening, everything is honky-dory. He is our buddy. He

3026 is this; he is that. That night television, Marostica is

3027 sitting there on television telling the world all about his

3028 alter ego.

3029 . . The next day I call him up and I said--

3030 . . Q Let me get the timing down. Your first call, you

3031 are telling us a call that occurred on the day that

3032 Marostica appeared on the evening news?

3033 . . A Yes.

3034 . . Q So it occurred after Mr. Secord's testimony was

3035 completed?

3036 . . A Evidently, yes.

3037 . . Q And you were aware at the time Mr. Secord's

3038 testimony was completed that he had testified about the

3039 TriAmerican arms partnership?

3040 . . A Yes.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 132

3041 RPTS CANTOR

3042 DCMN GLASSNAP

3043 [9:30 p.m.]

3044

3045 . Q And how did you first become aware that he had
3046 testified about that?

3047 . A I was in Salem, Massachusetts, and I got back, flew
3048 back to Decatur, my secretary said "You have just made
3049 national news," and that was on what, Friday, the last
3050 Friday, Thursday or Friday.

3051 . Q And did you have any conversations with Mr. Secord
3052 after that?

3053 . A No, not until the first of the week. We talked
3054 about it a little bit.

3055 . Q I gather that there was a phone conversation?

3056 . A With Secord?

3057 . Q Yes.

3058 . A Probably.

3059 . Q Is it possible that you came to Washington, D.C.?

3060 . A That I came to Washington, D.C.?

3061 . Q You said it was probably a phone conversation. I
3062 am wondering how it could be other than a phone

3063 conversation. Did you come to Washington, D.C. or ^{he} come to
3064 Decatur? How did you meet?

3065 . A I was in Washington, D.C. We picked Washington,

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 133

3066 D.C. during the time that Secord was testifying. I never
3067 did see him, but I used his office for another meeting,
3068 another business meeting.

3069 . Q This was while Secord was testifying?
3070 . A Yes. I never even seen him.
3071 . Q When you say his office, you are talking about the
3072 Vienna, Virginia office?

3073 . A Yes.
3074 . Q And I assume that he knew you were doing so?
3075 . A Yes.
3076 . Q And how did he know you were doing so?
3077 . A Probably Dutton or one of the secretaries told him,
3078 or I told him. I don't know. I am welcome there any time I
3079 want to come in.

3080 . Q You called ahead to let him know you would be
3081 dropping in for a meeting?

3082 . A Yes. They knew. In fact, I think Dutton picked me
3083 up that day.

3084 . Q Who did you meet?
3085 . A I met--I can't tell you his name, a fellow from
3086 Korea, and Mr. Lucero, to talk about a couple of things that
3087 we were thinking about doing in Korea, if we can get
3088 something worked out.

3089 . Q Was this fellow from Korea the same Korean fellow
3090 who was involved in the Guinault timber deal?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 134

3091 . A No.

3092 . Q Who did the fellow from Korea represent?

3093 . A Himself. He is well connected in Korea and in

3094 making of--I am wanting to build a mixer, a big food mixer

3095 out of stainless steel, and so I am talking to him about

3096 that.

3097 . Q Who is the person from Korea?

3098 . A I can't tell you his name. I don't know his name.

3099 I have got it at home. Ku somebody. They all sound alike

3100 to me. I can get it for you.

3101 . Q Is his name Park?

3102 . A Who?

3103 . Q Park?

3104 . A Not that I know of. I don't think so.

3105 . Q All right. He is representing himself, and what is

3106 his role in the possibility of your producing a food mixer?

3107 . A To find a fabricator in Korea to do that.

3108 . Q And what is Mr. Lucero's role in this?

3109 . A Mr. Lucero wanted to talk to him about a chemical

3110 project of some type. I was busy on the phone after I got

3111 done with my thing, I didn't even sit in on that, so I don't

3112 know anything about it. Something to do with the

3113 manufacturing of chemicals, which Lucero does do some

3114 chemical work. We are looking for an agent to represent us.

3115 . Q And this is an arrangement that you and Lucero had

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 135

3116 arranged to meet the Korean in advance?

3117 . A Yes.

3118 . Q Was anybody else present?

3119 . A No, not during that conversation, no.

3120 . Q I am not talking about during a particular

3121 conversation. I wanted to know who was in the building at

3122 any time while you were having this conversation.

3123 . A Dutton was there, and one of the secretaries was in

3124 the same office.

3125 . Q Which secretary?

3126 . A Joan.

3127 . Q Joan Corbin?

3128 . A Yes.

3129 . Q And Dutton was never present during any business

3130 conversation?

3131 . A No.

3132 . Q Was Lucero present for any of your conversations

3133 with the Korean?

3134 . A Yes.

3135 . Q Does he have any interest in your food mixer

3136 project?

3137 . A No.

3138 . Q Was he sitting as a financier?

3139 . A Just sitting.

3140 . Q Or a friend?

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 136

3141 . A Just sitting.

3142 . Q Does the Korean know Mr. Hakim?

3143 . A I think yes, I think he does.

3144 . Q How do you know he does?

3145 . A Because Hakim is the one that recommended that this

3146 man would make a good contact for us.

3147 . Q So this is Hakim's Korean connection?

3148 . A Evidently. He knows, they know each other.

3149 . Q What is the scope of the Korean opportunity that

3150 you were talking about? What are we talking about in terms

3151 of dollars?

3152 . A The scope of it, it could be a very good business,

3153 because food mixers in this country are very, very expensive,

3154 very, very expensive, and so you are talking 100-foot cubic

3155 mixer that would cost \$40,000 in this country could probably

3156 be made over there for ^{\$12,000} and sold for substantially less.

3157 So it could be--you could sell 50 mixers a year at ^{\$}25,000 a

3158 shot, so it is a pretty good thing. It is a pretty good

3159 deal.

3160 . Q And Mr. Lucero's deal, were you there for that?

3161 . A No. I know nothing about what he was talking to

3162 him about.

3163 . Q What happened after the meeting?

3164 . A Lucero and I--let's see, I went to--Lucero and I went

3165 back to his plant in Pennsylvania, which I am getting ready

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 137

3166 to do some work in liquidating a bunch of machinery out of
3167 there.

3168 . Q This is the Myers plant?
3169 . A Myerstown.
3170 . Q Myerstown plant. And you drove back there?
3171 . A No, flew to Philadelphia and drove a car back out
3172 in there that night.

3173 . Q Had you flown out here?
3174 . A Yes.
3175 . Q From Decatur?
3176 . A Yes.
3177 . Q How long were you in Washington, D.C.?
3178 . A Just that afternoon, in and out, in to that
3179 meeting, into Philadelphia, drove a car, got in there at
3180 midnight into Myerstown, stayed with him until about 4:00
3181 o'clock the next day, caught an airplane to Salem,
3182 Massachusetts, where I looked at five machines in a bakery
3183 that I am going to sell for a guy, back on a plane back
3184 Friday into Decatur, walked in and said "You have been on
3185 television."

3186 . Q You do business out of Secord's office on a fairly
3187 regular basis then?
3188 . A Well, no, not regular, no, but I do, when I have
3189 something to do on the East Coast, I am welcome to use his
3190 office and say to a guy meet me there. It is a good central

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 138

3191 spot.
3192 . Q Isn't it true, you have stationery with his address
3193 on it?
3194 . A That is correct.
3195 . Q And the name on the stationery is yours?
3196 . A AIR.
3197 . Q You have your name on the stationery?
3198 . A My name personally?
3199 . Q Yes.
3200 . A No, I don't think so.
3201 . Q What is the name on the stationery, the business
3202 name?
3203 . A American International Resources.
3204 . Q AIR?
3205 . A AIR.
3206 . Q Is there a company in existence anywhere with that
3207 name?
3208 . A No, not now.
3209 . Q There was?
3210 . A I think yes, we had it incorporated in Illinois.
3211 . Q When?
3212 . A During the Braniff days when there was the
3213 liquidation.
3214 . Q It was incorporated to conduct the liquidation of
3215 Braniff?

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 139

3216 . . . A Yes.

3217 . Q This is the deal you were doing with--

3218 . A General Aderholt.

3219 . Q And what became of that corporation?

3220 . A Nothing. It is just dormant. I only use it--what

3221 did you call that? What did you say I use it for?

3222 . MR. NOUCHEN: As an alias.

3223 . THE WITNESS: An alias.

3224 . BY MR. HOLMES:

3225 . Q Could you explain to me what you mean by the use of

3226 the AIR Corporation as an alias?

3227 . A In buying of machinery, and if I tip my hand--I try

3228 not to tip my hand and let people know that I am from

3229 Decatur, Illinois, because every time they--some people, if I

3230 am trying to buy a certain machine, they think I am trying

3231 to buy it for two big industries in Decatur, and they up the

3232 price, and so if I am trying to buy it for those people, I

3233 use an alias of saying this is Larry Royer from AIR, and I

3234 kind of get around those price hikes.

3235 . Q And Mr. Secord makes his office available for you

3236 to do that?

3237 . A Yes.

3238 . Q I assume that since your address for AIR is Mr.

3239 Secord's office address that he gets mail there?

3240 . A He gets mail there?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 140

3241 . Q For you?
3242 . A For me?
3243 . Q Yes.
3244 . A Once in a while, once in a great while.
3245 . Q And he forwards it to you?
3246 . A Yes.
3247 . Q And he probably gets phone calls there for you
3248 occasionally?
3249 . A Once in a great while, yes.
3250 . Q And the secretaries must be instructed to pretend
3251 that you are actually there and will take a message and call
3252 back?
3253 . A Yes.
3254 . Q So it is a mail drop.
3255 . A Yes, that is good. That is a good way, yes.
3256 . Q How long have you used Secord's office as your mail
3257 drop?
3258 . A Oh, a couple years.
3259 . Q Does he get anything for it?
3260 . A No.
3261 . Q Just good will?
3262 . A Good will. The girls get a box of candy at
3263 Christmas.
3264 . Q I would like to return to the point in time where
3265 you returned to Decatur and learned that you had been on

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 141

3266 national television in the form of Secord's testimony. Did
3267 you talk to Secord after that?

3268 . A Let's see, that was Friday, probably talked to him
3269 middle of the next week. I had my problems fighting off the
3270 local press after that, so I didn't really have much time to
3271 talk to anybody. No, I didn't. He was testifying before
3272 another committee, and I don't think I talked to him until
3273 the middle of the week.

3274 . Q And that was the phone conversation, or was that in
3275 person?

3276 . A Had to be a phone conversation.

3277 . Q Have you seen him in person? You didn't see him
3278 that time in Washington, but from the time he testified,
3279 have you seen him in person?

3280 . A I saw him this morning for a little bit.

3281 . Q Back to the phone conversation, the first phone
3282 conversation from the time of his testimony, what was said
3283 in that conversation?

3284 . A What conversation? Which one?

3285 . Q Approximately the middle of the week after you
3286 learned about his testimony.

3287 . A I can say that basically anything we have ever
3288 talked about during these conversations is saying, "Dick,
3289 how are you, are you holding up okay? Are you getting some
3290 rest?" And you know Dick Secord is not a talker, and I

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 142

3291 learned that many years ago. I don't pry into him. I don't
3292 ask him anything, and that is the way I do it.
3293 . Q So you had a phone conversation with him
3294 approximately mid-week after the Friday that he finished his
3295 testimony?
3296 . A Probably. What did I say in that conversation?
3297 . Q Was the word "Tri American" ever brought up in
3298 that conversation?
3299 . A Tri American? Yes, yes, it was.
3300 . Q Well, I wonder if you could tell us about that.
3301 . A I think what I told him was that for the record I
3302 was giving Marostica a little chewing for talking to the
3303 press so much. I thought he was out of line. I said, "I
3304 think you will have your opportunity to go to Washington and
3305 tell the story to the proper people, and you shouldn't be
3306 telling it to the press."
3307 . Q You were reporting a conversation that you had with
3308 Marostica to Secord?
3309 . A Yes, I did.
3310 . Q Let's return to that conversation in a minute.
3311 What exactly did you tell Secord about that?
3312 . A Just about what I told you there.
3313 . Q What did he respond?
3314 . A Very little. Listens more than talks.
3315 . Q I want to know what he said. The line didn't go

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 143

3316 dead, right?

3317 . A I think the only thing he says is that "I can't
3318 figure Marostica out", and that is about it. That is all
3319 he said.

3320 . Q Nothing else? Was there any other conversation
3321 about any part of his testimony?

3322 . A Whose testimony, Secord's?

3323 . Q Right.

3324 . A Not that I know of, not that I remember.

3325 . Q Now let's return to the Marostica conversation that
3326 you are reporting to Secord. When did that conversation
3327 take place?

3328 . A Conversation with Marostica?

3329 . Q That you were reporting to Secord.

3330 . A It was about the middle of the week.

3331 . Q That was a phone conversation, correct?

3332 . A Yes.

3333 . Q What was said between you and Marostica in that
3334 conversation?

3335 . A That is the second conversation?

3336 . Q No.

3337 . A The first conversation? There was nothing really
3338 said in that conversation. Then Friday night or that night
3339 Marostica appears on television. He told me he hadn't
3340 talked to anybody, he had not talked to anybody on the

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 144

3341 committee. He lied to me all the way through.

3342 . Q He told you he hadn't talked to anybody on the

3343 committee?

3344 . A He had told me he had not talked to anybody.

3345 . Q On the committee?

3346 . A On the committee. He told me he had not talked to

3347 the press, and all of a sudden at 6:00 o'clock here he is

3348 sitting on television. I am furious with the guy. The guy

3349 lied to me.

3350 . Q So you called him up?

3351 . A I called him up the next day.

3352 . Q What did you say?

3353 . A I told him, "How come you lied to me? How come

3354 you are talking on television? Go tell it to the store^{to} over

3355 here. You are going to have to tell it in Washington some

3356 day, but why are you muddling the whole thing up in the

3357 press?"

3358 . Q What did he say?

3359 . A He denies everything. He didn't talk any business.

3360 He didn't do anything. He is telling everybody Secord has

3361 got a million dollars. He wasn't talking ~~the~~ business. The

3362 hell he wasn't. He was talking everything. All Marostica

3363 was trying to do was to show everybody that he was in the

3364 big time^{is}, and I was a little bit upset, and I wasn't trying

3365 to tell him to shut up or anything else. I was just saying

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 145

3366 | that, "I think you ought to go tell it to the proper people
3367 | and not tell it to the press."
3368 | Q And then you told that to Secord?
3369 | A And I told that to Secord what I had told him.
3370 | Q When did you talk to Secord next?
3371 | A After that conversation I told him that?
3372 | Q Yes.
3373 | A I don't know when I talked. When would that have
3374 | been? That would have been Wednesday or so of last week,
3375 | Thursday. I think I talked to Secord on Saturday again.
3376 | Q And that was a phone conversation?
3377 | A Yes, no more than "How are you?"
3378 | Q What was said in that conversation?
3379 | A "How are you? Are you getting some rest?" We
3380 | are friends. We don't talk business all the time.
3381 | Q By Saturday, had you been contacted by anybody from
3382 | the committee?
3383 | A I had been contacted--
3384 | Q From either committee, House or Senate?
3385 | A He had contacted me.
3386 | Q You are pointing to Don Remstein here?
3387 | A Don, yes, and I was going to ask you when you
3388 | started, did you try to call me? Were you the one that was
3389 | calling me? There were two people who tried to get a hold
3390 | of me, and I was traveling. Were you the other one?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 146

3391 . Q I was trying to call you, yes. I was the one you
3392 never called back.
3393 . A I tried to call you back. I called him back.
3394 Didn't I? Three times.
3395 . Q Did you report that to Mr. Secord?
3396 . A That what?
3397 . Q That you had talked to Mr. Remstein?
3398 . A I told him on Saturday, I think, that I had
3399 been--that they had been talking to me, that he had been
3400 talking to me.
3401 . Q And what did he say?
3402 . A He said they have been talking to everybody, and
3403 then when I got a subpoena, I told him, I said, "I have
3404 been subpoenaed", and he says, "They are subpoenaing
3405 everybody." That is about all he said.
3406 . MR. HOUCHEM: You didn't actually get a subpoena.
3407 . THE WITNESS: Well, I said--no.
3408 . MR. HOUCHEM: We agreed to come voluntarily. We
3409 knew what it was.
3410 . BY MR. HOLMES:
3411 . Q You knew you had a subpoena in your future?
3412 . A I said, "I have been subpoenaed", and he said,
3413 "They have subpoenaed everybody."
3414 . Q What did he say?
3415 . A That is it.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 147

3416 . Q Nothing more?

3417 . A Nothing more.

3418 . Q The words Tri American never came up?

3419 . A In that conversation? Probably not.

3420 . Q The word "timber" never came up?

3421 . A I don't think so. I really don't know. I talk to

3422 a lot of people every day. I don't know.

3423 . Q Weren't you concerned about exactly what it was

3424 that Mr. Marostica was saying?

3425 . A Any time somebody talks to the press about me and

3426 about my friends I am concerned.

3427 . Q Did you talk to Marostica again after the time you

3428 called him up and you were mad after seeing him on national

3429 TV?

3430 . A Yes, that is when I told him, "I just saw you on

3431 television, you are talking on TV, and you are doing this,

3432 and you are doing that."

3433 . Q You didn't call him up just to tell him he had been

3434 on television. Don't you think he knew that?

3435 . A I called him up to give him a good chewing and

3436 saying, "What the hell are you doing messing with the

3437 press?" My point is that I told him that I didn't think he

3438 should be talking to the press. I think he ought to be

3439 talking to these people and you.

3440 . Q My question is whether you have talked to him again

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 148

3441 since that time.

3442 . A Have I talked to him again since then? I don't

3443 think so. The last time I know that he said that he was--the

3444 conversation was, "I think you ought to tell it to the

3445 proper people instead of telling it to the press", and he

3446 says "I have been subpoenaed by the U.S. Marshals. They

3447 have been here, and that I am supposed to go in Thursday",

3448 or something like that.

3449 . Q When was the last time you talked to Marostica?

3450 . A How come he gets the U.S. marshals and I didn't?

3451 . Q When was the last time you talked to Mr. Marostica?

3452 . A That was it, and I don't know what day that was.

3453 What is this, Wednesday? I would say it was the end of the

3454 week. I don't know.

3455 . Q I am having a little problem with your chronology

3456 because I have got you talking to Secord after you talked to

3457 Marostica in response to seeing Marostica on TV.

3458 . A Any time you forget your father and mother to take

3459 them to a wedding, I have trouble, the same thing. I don't

3460 know what days I talked to him.

3461 . Q The events happened, you saw Marostica on TV, and

3462 you called Marostica, correct?

3463 . A Next day.

3464 . Q And then you called Secord, excuse me, you told

3465 Secord that you had given Marostica an ass chewing, right?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE: 149

3466 . A Yes.

3467 . Q I want to know if you ever called Marostica again.

3468 . A My girlfriend called Mrs. Marostica. The only way

3469 you can get these things done is through these girls, you

3470 know that, and only talking to--

3471 . Q I should have called your girlfriend.

3472 . A That is right.

3473 . Q She would have told me.

3474 . A She is in a good mood now. She won't be bad. I

3475 tried to get her to explain to Mrs. Marostica ^{that} Don is only

3476 going to hurt himself, that the press is going to turn

3477 around and bite him, and that is my opinion. I don't know

3478 what your opinion is.

3479 . Q This is something you had asked your girlfriend to

3480 do?

3481 . A Yes, talk to Carol, try to get Don toned down to

3482 quit trying to stir all the bullshit up all over the United

3483 States and let him come and tell it to the proper people.

3484 Mrs. Marostica agreed. She said, "I agree, because every

3485 time he says something, they say it is black; he says it is

3486 white, and I am upset with him too."

3487 . Q Were you listening to Mrs. Marostica?

3488 . A No.

3489 . Q This is what your girlfriend told you?

3490 . A Yes, and then the next day I then called Marostica

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 150

3491 to see if it soaked in, and it didn't.

3492 . Q Okay, so you have got your girlfriend calling Mrs.

3493 Marostica.

3494 . A Right.

3495 . Q And did you--

3496 . A Did I break the law?

3497 . Q I am just asking the questions. Then did you

3498 report that conversation to Secord? 'May, I have had my

3499 girlfriend call Carol Marostica, and this is what she

3500 said'?

3501 . A I don't know if I told him. I don't know if I did

3502 that or not. I really don't know. I honestly don't know

3503 whether I did or didn't tell that to Richard.

3504 . Q Then you called Marostica the next day, and what

3505 was said?

3506 . A I think that day I said--

3507 . Q What day are we talking about now?

3508 . A Whatever day, the last conversation I have had with

3509 Marostica.

3510 . Q And how long ago was that?

3511 . A What is today, Wednesday?

3512 . Q This is Thursday.

3513 . A Today is Thursday. It may be either the last of

3514 the week or the first of this week. I tell you what day it

3515 was. It was before, because I kind of laughed that he had

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 151

3516 | gotten subpoenaed and I hadn't, and what day did you tell me
3517 | that that was, the day I was going to be subpoenaed?
3518 | MR. REMSTEIN: I think I called you on Monday.
3519 | THE WITNESS: Monday, all right, that is the date,
3520 | and so what I told Marostica--
3521 | BY MR. HOLMES:
3522 | Q Let me get this straight. You got a call from Mr.
3523 | Remstein.
3524 | A Late in the afternoon.
3525 | Q And then you called Marostica.
3526 | A No, I talked to Marostica that morning.
3527 | Q You had already called Marostica?
3528 | A Yes.
3529 | Q What did you say to Marostica and what did he say
3530 | to you?
3531 | A Well, he just denied everything, that he wasn't
3532 | doing all the things that I told him that he was doing in
3533 | talking to the press, and I said "I am not trying to tell
3534 | you, to put words in your mouth or anything like that. You
3535 | can do that, but I am saying don't talk to the press."
3536 | And, furthermore, I said to him at that time, "I
3537 | think you are a fiduciary of this group, and I think you are
3538 | violating fiduciary responsibilities, and I am going to look
3539 | into it, and Secord is going to look into it."
3540 | Q And how did you know that Secord was going to look

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 152

3541 | into it?

3542 | . A Because sometime during that time, we had discussed

3543 | that just briefly. Secord had told me, "I think he is

3544 | violating ^{his} ~~fiduciary~~ ^{of duty} ~~responsibility~~ in one of the conversations

3545 | over the week or so, because all of the press was coming

3546 | from Marostica. Marostica had the whole West Coast. You

3547 | ought to see. You have probably seen them. You have got

3548 | maps.

UNCLASSIFIED

NAME: N1R141002

PAGE 153

UNCLASSIFIED

3549 DCMN GLASSMAN

3550

3551 . Q Explain this idea of fiduciary responsibility to me
3552 as you understood it when you were talking to Marostica.

3553 . A He was handling all of our money, and he was doling
3554 it out, and I believe he has a fiduciary, and we are looking
3555 into it to see if he does. I am going to sue him.

3556 . Q I want to know where you got that word. I don't
3557 know if you caught that last--you said if he does, you are
3558 going to sue him?

3559 . A I may.

3560 . Q Where did you get this belief? Is this from
3561 Secord, yourself, or what?

3562 . A From both of us. Why is he doing this,² we are
3563 talking. Why is it of such great interest to him to go play
3564 into the press' hands? You know, all of a sudden--

3565 . Q Did you tell Marostica that you and Secord were
3566 going to sue him if you felt that--

3567 . A No, no, I don't know. I don't know that I said
3568 that I was going to sue him, but I told him, you know, we
3569 are looking into the fact that if he is a fiduciary, we may.
3570 I don't think I used the word "sue", but we may bring
3571 action or something.

3572 . Q Bring action is just another word for sue, isn't
3573 it?

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 154

3574 . . A It is the same thing. It sounds a little easier.
3575 ~~don't~~ ^{don't} it, than sue?
3576 . Q Did the word "jail" ever come up in that
3577 conversation?
3578 . A The word "jail" ^(u) That he was going to jail or I
3579 was going to jail or something like that? No.
3580 . Q That if he was in Switzerland, he would go to jail?
3581 . A Yes, that is correct. You remember more about this
3582 than I do. That is right. I said that if he was a
3583 fiduciary in Switzerland, he would go to jail. They would
3584 have him in jail over the weekend for doing what he has
3585 done.
3586 . Q And where did you get that piece of news?
3587 . A Secord.
3588 . Q What did Secord tell you with regard to that?
3589 . A Well, he says that is the way fiduciary deals work.
3590 Over there it is very tight, and if you are a fiduciary and
3591 if he is a fiduciary, he has violated it. Like in
3592 Switzerland, he says they would have you in jail in a couple
3593 of days.
3594 . Q This was an important point for Secord, I gather.
3595 . A I don't know that it was an important point. I
3596 think we were both very disgusted at a guy that got us in a
3597 bunch of god-damn deals that I worked a year and a half
3598 trying to get them straightened up.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 155

3599 . Q Why is Secord so protective of his secrecy?

3600 . A I don't know. It is not ~~secret~~^{4/6}. It is stat^{ing}

3601 the facts correctly.

3602 . Q Did Secord tell you when he was talking about

3603 fiduciaries that he intended to file papers resisting the

3604 examination of the Swiss records of his Swiss fiduciary?

3605 . A No, he has never told me anything of what he

3606 intends to do or anything.

3607 . Q What did Marostioa say when you told him that if he

3608 was in Switzerland, he would go to jail?

3609 . A A little pause, and, you know, what do most people

3610 say?

3611 . MR. HOUCHEM: Not in Switzerland.

3612 . THE WITNESS: Yes.

3613 . BY MR. HOLMES:

3614 . Q What did he say?

3615 . A Don has got a mind of his own.

3616 . Q I just want to know what he said.

3617 . A I don't remember. I don't think he said anything

3618 to that. I have a tendency, when I am mad, I don't let the

3619 other guy do too much talking, and I was very upset with

3620 him.

3621 . Q And the purpose of this call was to let him know?

3622 . A And I don't listen to what they are saying. I am

3623 trying to put my words in.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 156

3624 . Q So the purpose of this call was to let him know you
3625 were upset?

3626 . A That is right.

3627 . Q And that Secord was upset?

3628 . A That is right, that everybody was upset. Everybody
3629 was upset. The press, they love^d it. He played right into
3630 their hands. They say, "'Do you understand that Larry Royer
3631 said this'" and he said, "'No, I didn't understand that,'" [✓]
3632 blah, blah, blah, and the way it goes. You know how it is.

3633 . Q I don't know how it is.

3634 . A Yes, you do.

3635 . Q Do you know of an organization known as Century
3636 Arms?

3637 . A No.

3638 . Q Have you ever heard of a man named Manny
3639 Wigginsberg?

3640 . A Manny Wigginsberg. Manny Wigginsberg, if it is the
3641 same Manny, ^{he's} ~~an~~ ^{an} arms deal^{ER} in Canada.

3642 . Q That is the man.

3643 . A That is the man?

3644 . Q How do you know Manny Wigginsberg?

3645 . A Mr. Secord told me that he knew Manny Wigginsberg
3646 and that he could, if we market it, could help us market the
3647 semiautomatic 180, the kind of a guy that maybe had a lot of
3648 contacts in dealer organizations to market to a dealer

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 157

3649 organization this 180, and the only reason--Manny
3650 Wigginsberg, I just remembered that name. I never met the
3651 guy, only heard it three or four times.
3652 . Q When did Secord tell you that?
3653 . A A long, long time ago.
3654 . Q This was very early on?
3655 . A Very early on when we were looking at--
3656 . Q Getting him into the American Arms deal?
3657 . A Right, where the markets are, what is the potential
3658 of marketing it.
3659 . Q Was it your understanding that Secord thought that
3660 Manny Wigginsberg was limited to just the semiautomatic
3661 version?
3662 . A Yes.
3663 . Q Why wouldn't he be able to sell overseas any
3664 version that he wanted to?
3665 . A The only thing that I remember about the guy in
3666 Canada was the marketing of that semiautomatic weapon
3667 through a dealer network that he has probably got set up.
3668 . Q Did you ever talk with Manny Wigginsberg?
3669 . A No, wouldn't even know how to get hold of him.
3670 Have to call the Queen. I don't know where he is at.
3671 . Q Did Secord tell you any more about his dealings
3672 with Manny Wigginsberg?
3673 . A No.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE: 158

3674 Q Have you ever heard from Secord or anybody else
3675 whether Secord is engaged in any arms transactions other
3676 than the ones under investigation to the contras or to Iran?

UNCLASSIFIED

NAME: HIR141002

PAGE 159

UNCLASSIFIED

3677 RPTS THOMAS
3678 DCMN PARKER
3679 [10:00 p.m.]
3680 . A No.
3681 . Q To the contras or to--
3682 . A No, nothing of that ~~is~~ transaction. No, Dick
3683 Secord and I only discussed what he and I are involved in
3684 and our friendship and that is it. Other things he does
3685 were not discussed.
3686 . Q During the summer of 1986, in particular, say, from
3687 July to September, were you ever aware in any way that Mr.
3688 Secord was engaged in selling a ship load of arms?
3689 . A No, I knew things were going on but I never asked
3690 and I never was told, and I didn't want to know.
3691 . Q How did you know that things were going on?
3692 . A Well, he was a very busy man and there were, I have
3693 been in several times when there were phone calls that would
3694 take him away from what we were talking about and this and
3695 that and he was always going downtown. Government people
3696 were calling him wanting to, so I did know something, but I
3697 didn't want to know.
3698 . Q During the period of April 1986 through January
3699 1987 how many times--let's take it right up to today, how
3700 many times have you been in Washington, D.C.?
3701 . A How many times I have been?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 160

3702 . Q Right.

3703 . A Oh, five or six times maybe.

3704 . Q Okay. One of those was June 23. One of those was

3705 at the time of Secord's testimony.

3706 . A Testimony last week?

3707 . Q Right.

3708 . A Yes, I was here last week.

3709 . Q When were the others?

3710 . A I can produce the records. I don't know when they

3711 were.

3712 . Q Would you do so?

3713 . A Yes, sir.

3714 . Q The only other thing I want to talk about is your

3715 conversation with Mr. Secord this morning. Where did that

3716 take place?

3717 . A I stopped at Stanford Technology office.

3718 . Q And who was present?

3719 . A Dutton, Secord, and Joan, and ^{Vernon} ~~Secord~~.

3720 . Q Your attorney?

3721 . A Yes, sir.

3722 . Q What was said?

3723 . A There was very little said. He was mostly on the

3724 phone with his attorney, Mr. Green, talking about a

3725 statement that Senator Rudman had made, and he wasn't there

3726 even when we got there. Dutton came and got us and he went

UNCLASSIFIED

1155

NAME: HIR141002

UNCLASSIFIED

PAGE 161

3727 | in and was listening to the radio.

3728 | . Q But Dutton met you at the airport.

3729 | . A Yes, sir.

3730 | . Q And brought you to the office.

3731 | . A Yes, sir.

3732 | . Q You had called him in advance.

3733 | . A Yes, I can't afford cabs in this town. It is a

3734 | long way and the only cabs I can afford is in Salem,

3735 | Massachusetts. That is cheap.

3736 | . Q You came in to Dulles, right?

3737 | . A Yes, sir.

3738 | . Q So Dutton met you at Dulles and brought you to the

3739 | office?

3740 | . A Yes, sir.

3741 | . Q Then what?

3742 | . A And so, really I don't know where Dutton went. We

3743 | called our offices to find out what was all going on.

3744 | Within probably 35 or 40 minutes Richard came in. I

3745 | introduced him to Mr. Houchen. He went in his office for a

3746 | little while. He listened and I went in and sat down and

3747 | then Rudman was talking about something that Richard took

3748 | issue with, and he called Green and Green was going to talk

3749 | to Rudman about it, then we went to lunch and no sooner than

3750 | ^{by} he went to lunch, at the Sheraton, ^a ^{he} went back to the office,

3751 | picked up our brief cases and came down here.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 162

3752 . . . You had called and said come in at 3:00. We didn't
 3753 have to ^{of} much time.
 3754 . . . Q You told me everything except what I asked. I want
 3755 to know what was said.
 3756 . . . A Nothing.
 3757 . . . Q You went to lunch and never said a word to the guy,
 3758 and he never said a word to you?
 3759 . . . A I ~~was~~ ^{have} to put what we said on the record? Off the
 3760 record, please.
 3761 . . . Q On the record.
 3762 . . . A He wasn't talking about anything. Tell him off the
 3763 record, and I will tell you what I said, then I will go back
 3764 to the record.
 3765 . . . Q Tell me in general terms.
 3766 . . . A I was discussing my girl ^{that} friend ~~was~~ completely the
 3767 whole thing.
 3768 . . . Q The entire conversation?
 3769 . . . A That and do you know anything else we discussed?
 3770 . . . Q Wait a minute, your lawyer is not here to testify.
 3771 . . . A Okay, we talked. I don't know what all we talked
 3772 about. I tell you we talked more about my girl friend and
 3773 my problem with her than anything because Richard knows her.
 3774 . . . Q Let's start--
 3775 . . . A We did not talk and get into cahoots what I was
 3776 going to come down here and say, if that is what you are

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 163

3777 insinuating. I am a big boy and can say what I want to say.

3778 . Q If all you want to do is talk to Mr. Secord about

3779 your girl friend, why couldn't it have waited until after

3780 your testimony today?

3781 . A Because, we were going to go home in the morning.

3782 I will not see him again. Our plane schedule brought us in

3783 here at noon, so I wasn't going to set in the bus station

3784 somewhere. I got a nice office I can go to.

3785 . Q You are telling me that you met with Mr. Secord

3786 this morning. When did your plane arrive.

3787 . A One, 12:30, 1 o'clock.

3788 . Q Twelve thirty.

3789 . A Yes, sir.

3790 . Q And you had lunch with him.

3791 . A Yes, sir.

3792 . Q And who else was at lunch, your attorney and who?

3793 . A And Rich and I.

3794 . Q Just three of you?

3795 . A Yes, sir.

3796 . Q It never came up about anything having to do with

3797 any business deals that you have had with him?

3798 . A I talked a little bit about the Hood deal.

3799 . Q Okay, what did you talk about?

3800 . A I thought it was going to go down the tubes, and

3801 ~~Vernon~~ ^{Vernon} ~~Vernon~~, Richard talked about their World War II service.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 164

3802 Richard talked about he and Dutton a long time ago went over
3803 there and followed through the book of going to where what
3804 the Battle of the Bulge was. We basically--that was it at
3805 lunch.

3806 . We went back to the office, picked up our brief
3807 cases and Richard brought us down here and dropped us off,
3808 and he went somewhere else. He dropped us on the wrong
3809 side. It was a long walk across.

3810 . Q You discussed nothing else.

3811 . A As long as you had him in he should have known
3812 where to drop us.

3813 . Q You discussed nothing else about business financial
3814 relationship in any way, shape or form.

3815 . A Not today. You can't believe that?

3816 . Q When you answer a question with, "not today," it
3817 implies to me maybe you have recently, but not today. Is
3818 that the case?

3819 . A Yes, we talk about things all the time.

3820 . Q Okay. When was the last time you talked about--

3821 . A We talk all the time. We had private enterprise.
3822 We were talking.

3823 . Q When was the last time you talked about finances?

3824 . A About what?

3825 . Q Anything financial.

3826 . A The last time was something about the Wood deal

UNCLASSIFIED

NAME: HIR141002

PAGE 165

UNCLASSIFIED

3827 today.

3828 . Q Before that?

3829 . A Before that, really not very much, since the

3830 testimony and things have been going on. You have him being

3831 a very busy man.

3832 . Q Not very much is a little bit too ~~much~~^{busy} for me. I

3833 want to know when was the last time prior to today.

3834 . A I don't know what I talk to him about. The biggest

3835 thing I talk to him about is giving Marostica a chewing out.

3836 I have not really talked to--

3837 . Q Let me ask you what phone are you using when you

3838 talk to him?

3839 . A I use 428-9282, area code, 217, a business phone.

3840 . Q Any other phone?

3841 . A I use--yes, if I am out somewhere I want to call him

3842 and talk to him, I use the public phone.

3843 . Q In the last two weeks have you talked to anyone on

3844 a phone other than on a business phone?

3845 . A I have talked to him probably from my girl friend's

3846 house.

3847 . Q What is her phone number?

3848 . A It is unlisted.

3849 . Q I want to know it.

3850 . A Do I have to give him her phone number?

3851 . MR. NOUCHEN: Yes.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 166

P. 1161

3852 THE WITNESS: [REDACTED]

3853 BY MR. HOLMES:

3854 Q Any other phone?

3855 A The only other thing I may have talked to him on my

3856 father's phone in Decatur, Illinois.

3857 Q In the last two weeks?

3858 A Maybe.

3859 Q What is that phone number?

3860 A [REDACTED]

3861 Q Where is it located?

3862 A In Decatur, Illinois.

3863 Q All three are in Decatur.

3864 MR. HOLMES: No more questions.

3865 BY MR. SABA:

3866 Q I want to revisit two areas of earlier discussion,

3867 going back to our discussion concerning General Aderholt. I

3868 believe you testified that you were in Guatemala on two

3869 occasions.

3870 A Yes.

3871 Q And only one occasion with General Aderholt.

3872 A Yes, sir.

3873 Q During your two visits to Guatemala, did you have

3874 conversations with anyone concerning anything other than

3875 equipment related to sugar?

3876 A I discussed with somebody that the first time I was

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 167

3877 down there, with a contractor fabricator about building a
 3878 food mixer and Robert, too, was the one who set that up for
 3879 me. I don't even know the man's name.

3880 . The guy didn't have the bricks and things to do the
 3881 job so that was--other than that, that was it.

3882 . Q Did you meet with anyone at the U.S. embassy?

3883 . A Did I meet in Guatemala?

3884 . I don't think so. No. Guatemala, no. No.

3885 . Q Where in Guatemala did you visit?

3886 . A Guatemala City.

3887 . Q On either of your two visits were you in any other
 3888 place?

3889 . A I flew in a helicopter to the sugar mill of
 3890 Roberto, which is out somewhere. I don't know where it is.
 3891 I went to the sugar mill and to the little town that is the
 3892 ancient town that the earthquake destroyed, Antigua,
 3893 something like that.

3894 . Q Whose helicopter was this?

3895 . A Roberto.

3896 . Q This was his private helicopter?

3897 . A Yes.

3898 . Q Did you visit any other Central American countries?

3899 . A No.

3900 . Q And were you involved in support to any military
 3901 group, whether officially; that is under the Armed Services

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 168

3902 of a particular country, or a paramilitary group?

3903 . A No.

3904 . Q What else did you understand the fork lift we

3905 discussed to be for?

3906 . A To load donated medicine to the air commando units.

3907 All this medicine is donated to the air commando units or

3908 what they get or whatever their group is.

3909 . Q Whose group?

3910 . A Aderholt.

3911 . Q Air commando unit?

3912 . A Yes, air commando unit retired, air commandos down

3913 there that is retired, have an association and whether they

3914 work under the auspices of that group, but they get medical

3915 supplies donated to them and they are distributing them in

3916 Guatemala in the highland of Guatemala, and all this stuff

3917 comes in heavy cartons and things and they have been loading

3918 them by hand.

3919 . Aderholt is saying, "Fine, find me a fork lift,"

3920 and they don't have any money. It is all volunteer. I am

3921 trying to get a company that will donate a fork lift to

3922 them.

3923 . Q Did General Aderholt explain the nature of this,

3924 what is it called, this organization?

3925 . A The Air Commando Association. That's all I know.

3926 That stuff goes in one ear and out the other.

UNCLASSIFIED

NAME: N1R141002

UNCLASSIFIED

PAGE 169

3927 . Q Are these Americans?
3928 . A Yes, sir, all retired military men.
3929 . Q And they--
3930 . A Air Force Commando⁴

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 170

3931 DCMH QUINTERO

3932 . Q And they have an air force, they have an opportunity

3933 in Guatemala?

3934 . A They have a program of medical assistance down

3935 there.

3936 . Q Are you aware of their providing anything other than

3937 medical assistance?

3938 . A No.

3939 . Q How do you know they provide medical assistance?

3940 . A Because that is what they told me.

3941 . Q Who told you?

3942 . A Aderholt.

3943 . Q Did you speak to anyone else about it?

3944 . A When I was down there a couple of their air

3945 commando/ guys were there getting ready to take supplies

3946 out, a container was coming in and they are getting ready to

3947 take supplies and distribute them.

3948 . Q Do you recall their names?

3949 . A No, I don't.

3950 . Q Were these Americans?

3951 . A Americans.

3952 . Q When were the supplies coming?

3953 . A When?

3954 . Q Where, into where; a port or airport?

3955 . A The container, probably a port, I assume.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 171

3956 . Q What did they tell you was in the container?
3957 . A Medical supplies.
3958 . Q How would they get medical supplies to the
3959 destination?
3960 . A Very difficult, small airplanes, very difficult to
3961 get them up in that area, very difficult job.
3962 . Q Were they providing ^{ED} help by Guatemalan governmental
3963 airlines or forces?
3964 . A I do not know.
3965 . Q In the course of ⁴our conversation with General
3966 Aderholt, did you have occasion to hear the name Raphael
3967 Quintero?
3968 . A No, never. Only time I ever heard that name had
3969 been on television and read it in the newspapers.
3970 . Q Do you know if Mr. Hakim mentioned any connection
3971 with General Aderholt?
3972 . A No.
3973 . Q You mentioned that."
3974 . A I didn't even think that Hakim and Aderholt know
3975 each other.
3976 . Q You mentioned you met General Secord at General
3977 Aderholt home in Florida. Following that event, did you
3978 know of any connections between General Secord and General
3979 Aderholt?
3980 . A Did I know connections?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 172

3981 . Q Yes.

3982 . A Those men have been connected all their military
3983 years.

3984 . Q So they have continued their business in their
3985 retired years?

3986 . A Sure, they are friends, dear friends, fought
3987 together.

3988 . Q Have you been involved in their business between *General Aderholt and*
3989 General Secord?

3990 . A When the two of them are together in business, no.

3991 . Q Do you know what types of businesses they engage in?

3992 . A No.

3993 . Q Have you taken holidays with General Aderholt
3994 subsequent to that holiday that you have testified about in
3995 1983?

3996 . A Holidays, vacations?

3997 . Q Yes.

3998 . A I didn't go on vacation with him, I went to Thailand
3999 twice with him.

4000 . Q I am referring to the meeting at his home in Florida
4001 in early 1983?

4002 . A No.

4003 . Q When you were with General Aderholt in Thailand, did
4004 he mention his continued business with General Secord?

4005 . A No, I don't think so. They are friends, they talk.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 173

4006 . Q What did you understand there business to be?

4007 . A I didn't. They were just friends. I didn't know

4008 they had businesses together, don't know, ~~how~~ they have

4009 businesses together.

4010 . Q Have you had any occasion since 1983, to be involved

4011 in a transaction which provides support to any other group

4012 in Central America other than General Aderholt medical

4013 assistance?

4014 . A No.

4015 . Q Has it been limited entirely to this forklift that

4016 we discussed?

4017 . A Yes.

4018 . Q You haven't been involved in any type of supply to

4019 the contras?

4020 . A None.

4021 . Q Were you aware that General Secord had an operation

4022 involving support for the contras.

4023 . A Not until lately when this thing all--

4024 . Q You haven't been involved in any business whatsoever

4025 involving sales or support or anyway involved with the

4026 contras.

4027 . A None, none whatsoever.

4028 . Q Referring to Exhibit 4, page 3, can you explain

4029 again to me why you would have written "'contra'?"

4030 . A I don't know; I really don't know.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 174

4031 . MR. HOUCHEM: Don't answer any more questions about
4032 that nonsense. You have gone over that three times. That
4033 is enough.

4034 . MR. SABA: I have had a--

4035 . MR. HOUCHEM: He told exactly what he remembers of
4036 it, now we are going to badger him about this.

4037 . MR. SABA: I have two different answers.

4038 . MR. HOUCHEM: You don't have two different answers.

4039 . MR. SABA: I do.

4040 . MR. HOUCHEM: You are not going to get a third.
4041 Don't answer anymore questions about that.

4042 . MR. SABA: What is the basis--

4043 . MR. HOUCHEM: We have been here for eight hours;
4044 over eight hours straight. You have asked this man about
4045 this, about a memo that he wrote. It has no significance in
4046 this hearing that I can determine, which is also true of
4047 most of the other exhibits.

4048 . ~~the same~~ Nevertheless we have sat here apparently
4049 and hopefully figuring we would be finished some time. We
4050 have been up since 4:30 this morning.

4051 . MR. SABA: I am sympathetic to you all, of your
4052 problems in terms of the hour. However, this memo, that
4053 word and my questioning ^{goes} to the essence of what we are doing
4054 and I have the right to ask the question and I believe I
4055 have a right to the answer.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 175

4056 . MR. ROUCHEN: I am telling you he is not to answer
 4057 it again. He has answered twice at least, and probably three
 4058 or four times. You go on from there.

4059 . MR. SABA: Off the record.

4060 [Discussion off the record.]

4061 . MR. SABA: I would like him to answer the question.

4062 . MR. ROUCHEN: I told him ^{he} will not answer your
 4063 question again.

4064 . MR. SABA: I understand. My choice here is to leave ^{it at}
 4065 that and take the issue to the Chairman of the House
 4066 Committee.

4067 . MR. ROUCHEN: Do that.

4068 . MR. SABA: In which case the possibility is that he
 4069 will be found in contempt of the committee.

4070 . MR. ROUCHEN: We will see.

4071 . MR. SABA: All right, I will ask a different
 4072 question. We will go back on the record.

4073 [Back on the record.]

4074 . MR. SABA: Are you asserting a privilege in
 4075 connection with the last question I asked?

4076 . MR. ROUCHEN: I am asserting that this question has
 4077 been asked and answered on at least two and probably three
 4078 occasions.

4079 There is one word in this memo that he has already
 4080 testified that he wrote sometime prior to the dealings with

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 176

4081 American Arms. You have asked ~~me~~ repeatedly about this
4082 one word and what he remembers, and he has told you what he
4083 remembers; and that is enough.

4084 . BY MR. SABA:

4085 . Q How did you come to write it?

4086 . A If I really knew I would tell you, but I don't know.
4087 I don't know.

4088 . Q In the venture it was intended that General Secord
4089 would be charged with marketing events, and this particular
4090 section of the memo deals with marketing.

4091 . A Yes.

4092 . Q And the numbers complement sales of 40,000 at a
4093 certain price which would yield initially a commission on
4094 STIGI; is that correct?

4095 . A Yes.

4096 . Q And following the deduction of that commission
4097 profits in that sale would be divided for the three partners
4098 in TriAmerican Arms.

4099 . A Right, correct.

4100 . Q And it was your anticipation, from page 2 of the
4101 exhibits those profits, would be \$4.7 million--I am sorry,
4102 correction, page 1?

4103 . A I don't know. I would think that if those figures
4104 were correct, that is right--based on the fact that the
4105 million, the weapon would sell for \$1,800, based upon the fact

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 177

4106 we could get it for \$200, but so far we haven't been able to
4107 get the price to \$200. That is \$351 right now. So the
4108 figures are--things look good on paper.

4109 . Q You have found it at \$325 to be an attractive
4110 proposition?

4111 . A And these being, particular ones being trophy guns.

4112 . Q And it was a proposition which was attractive enough
4113 to continue even after the ATF raid in pursuing it with
4114 ^{the} ~~for~~ ways?

4115 . A Trying to get our money back, really trying to get
4116 our money back. ^{yes} yes, it is attractive, sure, if you can
4117 sell weapons it is an attractive situation.

4118 . Q And it was the intention to sell weapons to the
4119 contras.

4120 . A No, I don't know that, I have no idea, you have to
4121 ask somebody else that. I don't know, I am not in charge of
4122 the marketing.

4123 . Q So the person in charge of marketing would determine
4124 to whom they were being sold?

4125 . A Yes.

4126 . Q And the calculation here is based on that marketing?

4127 . A Yes.

4128 . Q And the person charged with marketing would be
4129 General Secord.

4130 . A That is correct.

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 178

4131 . 2 I have no further questions.

4132 . SENATOR TRIBLE: Mr. Royer, when you referred to

4133 Senator Rudman before you were looking my way. Are you

4134 mistaking me as Senator Rudman?

4135 . THE WITNESS: No, no, I was not, I know who you are,

4136 Senator.

4137 . SENATOR TRIBLE: You were looking for confirmation,

4138 it was indeed Senator Rudman.

4139 . THE WITNESS: Yes.

4140 . SENATOR TRIBLE: When was the last time you talked

4141 to Albert Hakim?

4142 . THE WITNESS: November, probably, December,

4143 November, October-November.

4144 . SENATOR TRIBLE: Now about Mr. Zucker, when was the

4145 last time you spoke to Mr. Zucker?

4146 . THE WITNESS: July of 1986.

4147 . SENATOR TRIBLE: Now about Mr. Green, Mr. Secord's

4148 attorney?

4149 . THE WITNESS: I have never talked to Mr. Green.

4150 . SENATOR TRIBLE: TriAmerican was a partnership of

4151 sorts, two, three partners, Mr. Royer, you, Mr. Secord and

4152 Mr. Marostica; is that correct?

4153 . THE WITNESS: That is correct.

4154 . SENATOR TRIBLE: Albert Hakim was not a partner?

4155 . THE WITNESS: Albert Hakim, as I understand it, was

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 179

4156 a partner, is a partner with Secord and Secord and Hakim,
4157 Secord would be representing Stanford Technology Trading
4158 Group. I don't know if that answered your question, but one
4159 would be, one would be representing their company.

4160 A third of that company would be Secord, Hakim, Stanford
4161 Tech, is the way it was.

4162 . SENATOR TRIBLE: You have described TriAmerican,
4163 have you not, as a partnership?

4164 . THE WITNESS: Beg your pardon?

4165 . SENATOR TRIBLE: You have described TriAmerican as
4166 an enterprise ^{with} three partners?

4167 . THE WITNESS: Yes, sir.

4168 . SENATOR TRIBLE: Those three partners are yourself,
4169 General Secord, and Marostica?

4170 . THE WITNESS: That is correct.

4171 . SENATOR TRIBLE: There is an exhibit whose number I
4172 don't know, which purports to be the determination of that
4173 partnership which bears three names, Royers, Secord, and
4174 Marostica?

4175 . THE WITNESS: That is correct.

4176 . SENATOR TRIBLE: That is Exhibit No. 7?

4177 . THE WITNESS: That is correct.

4178 . SENATOR TRIBLE: No where do I see the name Hakim.

4179 . THE WITNESS: That is right.

4180 . SENATOR TRIBLE: Hakim was not a partner of this

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 180

4181 enterprise?

4182 THE WITNESS: Legally, not a partner, no.

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 181

4183 RPTS CANTOR

4184 DCMK GLASSMAP

4185 [10:30 p.m.]

4186

4187 . Q I understand that your attorney at least has grown
4188 impatient about questions about Exhibit Number 4. I want to
4189 return to Exhibit Number 4. I was not here for some of the
4190 earlier questions, and, again, I will not prolong this
4191 proceeding unduly. Who is the author of this?

4192 . A I wrote that.

4193 . Q And what was the purpose of this document?

4194 . A I don't know whether it was a summation of a
4195 meeting that we had in Denver or if it was going in notes
4196 for a meeting that Secord, Marostica and I had. It is just,
4197 as you can see, there is no typewritten things from it on
4198 any records. It was a handwritten document for some type of
4199 notes.

4200 . Q Is it fair to say that it represents a summary of
4201 the discussions that you and Mr. Secord and Marostica had
4202 about this enterprise?

4203 . A Yes. I would think it is probably a summary more
4204 than a prep for a meeting.

4205 . Q And Mr. Marostica said that Exhibit Number 4 was a
4206 primary source of discussion at a meeting you and Secord
4207 attended with him to discuss the American Arms, would you

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 182

4208 disagree with that?

4209 . A Those papers there? I would probably not disagree

4210 with that, no. I would say that.

4211 . Q According to the projections set forth on Exhibit

4212 Number 4, the partnership expected the possibility of

4213 profits of \$4.2 million, is that correct?

4214 . A That is correct, on those trophy guns.

4215 . Q We can say, can we not, that page two of this same

4216 exhibit indicates a discussion of 1,500 to Saudi and Gulf

4217 States and next 4,000, and the word "contra"? The

4218 document reflects that.

4219 . MR. NOUCHEN: Since he wasn't here, go ahead and

4220 answer that.

4221 . THE WITNESS: Yes.

4222 . BY MR. TRIBLE:

4223 . Q What does this document indicate or project as the

4224 profit margin from the sale of these same arms in Exhibit

4225 Number 4?

4226 . A In what page? The second page?

4227 . Q I am asking you to interpret. I am asking you to

4228 tell me about that document that you prepared? I just have

4229 a couple more questions.

4230 . A The front part of it is the projections on the

4231 trophy guns, if we can get it before the President signs the

4232 bill. The second part is who is responsible for what, the

UNCLASSIFIED

UNCLASSIFIED

NAME: HIR141002

PAGE 183

4233 | assignments, the objectives.

4234 | . Q That is actually page three now.

4235 | . A That is two. Now page three--

4236 | . Q Wait a minute.

4237 | . A Yes.

4238 | . MR. HOUCHEM: They are numbered.

4239 | . BY MR. TRIBLE:

4240 | . Q I am sorry. I have a different numbering scheme.

4241 | Two, then, carries two subheadings, "assignments" and

4242 | "objectives of fees" two, is that correct?

4243 | . A Yes.

4244 | . Q And the third page, sir.

4245 | . A Yes.

4246 | . Q This is a separate transaction, then, from the

4247 | transactions otherwise contemplated in this document?

4248 | . A Yes. I would say that this is potential,

4249 | projections of sales the first year, and what happens if we

4250 | get no domestic sales, if the President signs the bill.

4251 | Then maybe we can sell "X" number to Saudi and Gulf

4252 | States. Maybe we can sell 4,000 to the contras.

4253 | . Q And what was the profit margin anticipated from

4254 | those sales?

4255 | . A Apparently \$1,000, that would make it \$750 after

4256 | sales commission, and this paper says that the weapon can be

4257 | built for \$250. It can't be, but that would be \$500 apiece.

UNCLASSIFIED

UNCLASSIFIED

NAME: N1R141002

PAGE 184

4258 and if we sold five, that would be 5,000 of them would be
4259 what, \$2.5 million would be the profit.

4260 . Q So what is the profit then per weapon?

4261 . A If the weapon could be made for \$250, and after
4262 sales commission, and we sold them for \$1,000, now that is
4263 lasers and everything on there, we could make a round \$500 a
4264 unit.

4265 . Q Per weapon?

4266 . A Per weapon.

4267 . BY MR. HOLMES:

4268 . Q Make them for \$250 and sell for \$1,000?

4269 . A We can't make them for \$250. We cannot get them
4270 made for \$250. That is what that projection--these are just
4271 beginning things. The cheapest we can find yet is \$351.

4272 . Q Taking your figure of \$250 and selling for \$1,000, it
4273 is profit of \$750, isn't it?

4274 . A No, you are giving \$250 up in 25 percent sales
4275 commission.

4276 . Q So profit--

4277 . BY MR. TRIBLE:

4278 . Q The gross profit would be?

4279 . A Seven-hundred-fifty, and sales commission would be
4280 \$250, so we would have a round \$500 profit.

4281 . Q And once again the commission contemplated here
4282 goes to whom?

UNCLASSIFIED

NAME: HIR141002

UNCLASSIFIED

PAGE 185

4283 A Well, in this particular instance, if Secord's
4284 group, Stanford Technology, was going to do the marketing,
4285 they would get it, and if we would have gone into this,
4286 Richard Secord's group would have been the marketing people.

4287 MR. TRIBLE: I thank you.

4288 MR. SABA: Just to finish, let the record show that
4289 the witness came voluntarily and that we appreciate his
4290 patience and that of his counsel as well.

4291 MR. HOLMES: And also it ought to reflect that you
4292 have a further obligation under subpoena, and that is to go
4293 back home and gather the documents we have discussed and now
4294 are evident to you are relevant to the inquiry, and supply
4295 them to us as rapidly as possible.

4296 MR. HOUCHEM: You are talking about telex and
4297 telephone?

4298 MR. HOLMES: Yes, the telexes, the telephone
4299 records, and I believe there was one other category.

4300 THE WITNESS: Trips to Washington, D.C.

4301 MR. SABA: I have telex, travel, telephone.

4302 THE WITNESS: Travel to D.C., and what do I do
4303 about telephone? What is that?

4304 MR. HOUCHEM: To see when you called.

4305 THE WITNESS: Here?

4306 MR. HOUCHEM: Sure. You have got Secord's number,
4307 if you called it, it will show on your bill.

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UNCLASSIFIED

NAME: HIR141002

PAGE 186

4308 [Whereupon, at 10:40 p.m., the deposition in the
4309 above-entitled matter was concluded.]

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Stenographic

HEARINGS

Before the

Select Committee on Secret
Military Assistance
The Nicaraguan Revolution

UNITED STATES SENATE

Deposition

UNCL

ALDERSON REPORT

Declassified/Released on 18 DEC 87
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National Security Council
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DEPOSITION OF GLENN ALLAN RUDD

United States Senate

Select Committee on Secret

Military Assistance to Iran and

the Nicaraguan Opposition

Washington, D.C.

Deposition of GLENN ALLAN RUDD, a witness herein,
 called for examination by counsel for the Select Committee,
 the witness being duly sworn by MICHAL ANN SCHAFER, a Notary
 Public in and for the District of Columbia, at the offices
 of the Senate Select Committee, 901 Hart Senate Office
 Building, Washington, D.C., at 4:08 p.m. on Tuesday, June 16,
 1987, and the proceedings being taken down by Stenomask by
 MICHAL ANN SCHAFER and transcribed under her direction.

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 National Security Council
 K. Johnson

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4

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18 Washington, D.C. 20301
19
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21
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3

C O N T E N T S

Deposition of:	Examination by Counsel for the:
GLENN ALLAN RUDD	Senate House
By Mr. Saxon	4
By Mr. Kreuzer	35
By Mr. Saba	38

E X H I B I T S

<u>Rudd No.</u>	<u>Page</u>
1	15
2	26
3	38
4	41

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4

P R O C E E D I N G S

Whereupon,

GLENN ALLAN RUDD

a witness herein, was called for examination by counsel for the Senate Select Committee and, having been first duly sworn by the Notary Public, was examined and testified as follows:

EXAMINATION BY COUNSEL FOR THE SENATE SELECT
COMMITTEE

BY MR. SAXON:

Q State your name for the record, please.

A Glenn Allan Rudd.

Q That's R-u-d-d?

A Yes.

Q And what is your position, sir?

A Deputy Director of the Defense Security Assistance
Agency.

Q Otherwise known as, DSAA?

A Right.

Q And how long have you been in that position 1984.

Q And from 1980 to 1984, were you director of operations?

A Yes.

Q And from 1979 to 1980, were you comptroller?

A Yes.

Q And to whom do you report?

A To Lieutenant General Gast.

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1 Q He is the director?

2 A Director of DSAA.

3 Q Can you take a moment and tell us what DSAA does?

4 A DSAA is responsible for the program direction of
5 the security assistance and foreign military sales program
6 worldwide. It also participates with the Department of State
7 in defending the security assistance budget on the Hill, but
8 its primary job, I would say, is program direction and program
9 management.

10 Q Mr. Rudd, when I say we met with you earlier or talked
11 with you earlier or you told us before, let me say for the
12 record, what I have reference to is the fact that Roger
13 Kreuzer was present along with myself. We interviewed you
14 May 7th, 1987, in your office, and you also had present
15 Mr. Jerome Silber, the General Counsel of DSAA; is that
16 correct, sir?

17 A Right.

18 Q So if I say "as you told us before," that's what I
19 have reference to.

20 A Okay.

21 Q But let me begin by asking you about the time period
22 in late 1985 and any discussions that you would have been party
23 to with regard to the provision of Hawk missiles for Iran, and
24 I have in mind here in particular something that was called
25 a point paper that Dr. Henry Gaffney, the Director of Plans

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1 for DSAA, prepared.

2 What can you tell us about that time period and any
3 involvement in those issues?

4 A Well, at the time that he prepared the point paper,
5 both General Gast and I were on temporary duty out of town.
6 I returned in late November and had, to the best of my
7 recollection, one meeting on that general subject, with Rich
8 Armitage, who is Assistant Secretary of Defense for
9 International Security Affairs.

10 I recall that both Hawk and TOW were discussed at
11 that time; that the primary thrust of the discussion with
12 Armitage had to do with the legal ramifications of providing
13 either Hawks or TOW's or both directly to Iran.

14 Q Do you know when you are able to date that meeting
15 with Mr. Armitage?

16 A I would have thought that it was the following week
17 after I returned from temporary duty, which would have put it
18 around Thanksgiving week of that year. But it could have been
19 later. It could have been a little bit later.

20 Q And tell us specifically who said what to whom in
21 that meeting?

22 A Okay. I have a very vague recollection of that
23 meeting. As I said, the discussion turned on the legal
24 ramifications of providing the missiles. We talked about the
25 notification requirements to Congress of section 36(b) of the

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1 Arms Export Control Act. We talked about making Iran eligible
2 for direct transfers for military sales. We discussed, as
3 best I knew them, what the President's authorities under
4 Section 614 of the Foreign Assistance Act may have been. And
5 that's about it.

6 I recall no discussion at that meeting on quantities,
7 dollars, or whatever.

8 Q But your recollection, I believe you just said, was
9 that you discussed both Hawk missiles and TOW's?

10 A That's the best of my recollection, is yes, we talked
11 about both.

12 Q And did Secretary Armitage initiate that meeting?

13 A Yes.

14 Q Do you recall Dr. Gaffney saying who told him or
15 asked him to work up that point paper?

16 A The Hawk paper?

17 Q Yes.

18 A I didn't at the time that I talked to you before,
19 but I've talked to Hank since and he says it was Noel Koch,
20 which I didn't know at the time, or at least if I knew it it
21 didn't stick in my memory.

22 Q And how would you characterize these discussions?

23 A It was a matter of Rich Armitage gathering
24 information.

25 Q And did you believe that this was a preliminary or

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1 exploratory stage of something that was being considered?

2 A Oh, yes, definitely.

3 Q Do you remember any discussions about whether arms
4 could be provided to Iran as part of security assistance?

5 A Well, I'd say that we had to discuss that, that
6 framework, yes. As I said, section 36(b), section 614 of the
7 Foreign Assistance Act, and so forth, all pertain to security
8 assistance and foreign military sales in some way or another.

9 Q Was Iran at that time eligible to receive security
10 assistance?

11 A I guess I would say in retrospect yes, they probably
12 were. They had not received any. They weren't eligible to
13 receive security assistance. They could have been eligible
14 for foreign military sales on a cash basis. They hadn't, of
15 course, received any material since 1959 -- '79, sorry.

16 But I guess I would say that on a cash sales basis
17 nobody had said they weren't eligible.

18 Q When you discussed the prospect of making a report
19 to Congress under the provisions of 36(b) of the Arms Export
20 Control Act, do you recall what, if anything, Secretary
21 Armitage said about the issue of Congressional notification?

22 A There was a general discussion, which could have
23 been initiated just as well by me as by him, that obviously,
24 if this was going to take place it would be highly classified
25 and a report to Congress under section 36(b) would not exactly

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1 be covered.

2 Q Was there any discussion of whether the dollar
3 thresholds would have been exceeded for reporting to the
4 Congress?

5 A I don't recall anything in that meeting, no.

6 Q Because at that point, if I understand your testimony,
7 there was no discussion of specific numbers, is that correct?

8 A I did not know of any numbers at that time to the
9 best of my recollection.

10 Q I believe you told us before when we interviewed you
11 that there was discussion about the possibility of the
12 President being able to waive that reporting requirement under
13 section 614.

14 A That would be 614. I speculated on that. I didn't
15 get a legal opinion on it.

16 Q And is that everything that you can recall about
17 that meeting, to the best of your recollection?

18 A Yes.

19 Q I believe you told us the next day General Gast
20 returned from his trip, is that right, sir?

21 A To the best of my recollection, he was out of town
22 then and he must have come back very shortly thereafter.

23 Q And did you brief him on this meeting with Mr.
24 Armitage?

25 A Yes.

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1 Q Do you recall what you said or what he would have
2 said in response?

3 A No.

4 Q Do you recall if Dr. Gaffney was present?

5 A No. If not, I would know that Hank debriefed him
6 separately because he knew things that I didn't know about
7 that series of meetings.

8 Q Okay. You told us before, if this helps refresh
9 your recollection, that Dr. Gaffney was present and that Dr.
10 Gaffney showed General Gast the Hawk point paper that he had
11 prepared. Does that sound correct?

12 A It very well could be.

13 MR. SILBER: Don't try to be consistent with what
14 you may have said before. Just tell him what you know now.

15 THE WITNESS: Well, I'm trying to remember.

16 MR. SAXON: I understand that.

17 MR. SILBER: Inconsistency is all right.

18 THE WITNESS: It very well could have been true.

19 BY MR. SAXON: (Resuming)

20 Q Did Secretary Armitage give you any background on
21 the Iran initiative? Did he talk about a draft NSDD that
22 Bud McFarlane, the national security adviser, had sent to
23 Secretary Weinberger earlier in the year?

24 A No.

25 Q Was there anything in the discussion with Mr. Armitage

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1 that would suggest that these transactions, discussions, about
2 Hawks and TOW's was related to the hostages?

3 A I'm not sure about that one, because I've got it
4 mixed up with the Koch one, where I know that there was. I
5 just can't recall.

6 Q Okay, that's fine. If you can't recall that in
7 the discussion with Mr. Armitage, that's fine.

8 Was there any indication to you from any other source
9 that we, the United States Government, was in the process of
10 rethinking its Iran policy or reopening relations with Iran?

11 A No.

12 Q In your opinion, would Iran have been eligible in
13 late 1985 for FMS sales?

14 A Yes, if the President said sell.

15 Q What would have been your view in terms of U.S.
16 policy in late 1985 as to whether the United States could ship
17 arms to Iran if anyone would have asked you? What would you
18 have told them?

19 A You mean with respect to whether it was a good idea?

20 Q With respect to policy and legality, whether we
21 could ship arms to Iran or not.

22 A From a policy point of view, it made no sense at
23 all.

24 Q Why would you say that, sir?

25 A Well, since our relationships with Iran were very

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1 poor, of course. Even though they had released the hostages,
2 we were not on any kind of negotiating terms that I knew of
3 that would warrant sales.

4 As far as law goes, I'm much less definite on that.
5 I leave that to the lawyers. There was no law that said we
6 could not sell to Iran.

7 Q I believe you told us before that under our statutes,
8 if we can't make a sale ourselves to a country, then we can't
9 approve a third country sale under the Arms Export Control
10 Act. Is that an accurate statement?

11 A That's correct.

12 Q And under section 3(d) of the Arms Export Control Act,
13 if our policy does not permit direct sales to a country, then
14 does the law prohibit third party transfers?

15 A Yes.

16 Q Are you aware of any third country approaching DSAA
17 in 1985 regarding shipments to Iran?

18 A No.

19 Q I'm sorry. Any recipient country of U.S. assistance
20 approaching DSAA about shipments to Iran as a third country?

21 A No.

22 MR. SILBER: DSAA and not all of DOD.

23 THE WITNESS: If it was 1985, I wasn't even aware of
24 DOD.

25 BY MR. SAXON: (Resuming)

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1 Q All right, sir. Did you think to raise any of these
2 issues with Mr. Armitage in terms of the wisdom or desirability
3 of our shipping arms to Iran?

4 A No. I may have thought about it, but I didn't do it,
5 because he's an assistant secretary of defense and well able
6 to think of that kind of thing for himself.

7 Q Prior to your discussions with Noel Koch on TOW's,
8 which we will come to in a moment, were there any other
9 discussions between the Gaffney point paper and the session with
10 Mr. Armitage?

11 A Yes. You briefed General Gast a day or so later. Is there
12 anything between that period and when Mr. Koch approached you?

13 A No.

14 Q And that would be with regard to both Hawks and TOW's?

15 A That's right, there was nothing.

16 Q Now, what can you tell us about any discussions with
17 Noel Koch regarding TOW missiles?

18 A Okay. To the best of my knowledge, the meetings --
19 and there were at least two, maybe three -- occurred in early
20 February of 1986 at his request.

21 Q Why do you date it early February of '86?

22 A Because during our interview I looked at the
23 calendars. I knew that I would not have been talking to Koch
24 about the subject if either Armitage were in town or Gast were
25 in town. And the first time I could place them both out of

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1 town was in early February of '86.

2 Q And you say that because you assume he would have come
3 to you in your capacity as being acting director?

4 A Exactly. And he, as the acting ASDI --

5 MR. SAXON: Let's go off a second.

6 (Discussion off the record.)

7 BY MR. SAXON: (Resuming)

8 Q Mr. Rudd, let me capture on the record a few things
9 we have just talked about. I indicated to you that in our
10 interview sessions with Noel Koch and subsequent deposition
11 sessions, of which we had two, he indicated that the logic that
12 you have used in trying to date this makes perfectly good
13 sense, but that it's wrong, in that he did not go to you in
14 your capacity as acting director of DSAA, but in a way that's
15 complimentary to you, he went to you because he needed some
16 information about TOW's and TOW pricing, and he knew that you
17 could get it and get it right and get it quickly for him; and
18 that, likewise, he did not go to you in his capacity as acting
19 assistant secretary of defense in the absence of Mr. Armitage,
20 but in fact he had been tasked by Colonel North specifically
21 to come up with some pricing data on TOW missiles, and
22 availability and the like, for which reason he does not date it
23 at that time period.

24 Now, I'd like to show you for the record what we
25 have just been looking at and have that marked as Deposition

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1 Exhibit 1.

2 (The document referred to was
3 marked Rudd Exhibit No. 1 for
4 identification.)

5 MR. SAXON: Some pages from the desk calendar or
6 appointment book of Noel Koch.

7 BY MR. SAXON: (Resuming)

8 Q I would ask you to look at the entry on January 7th,
9 a Tuesday, in which it happens that Noel Koch at that
10 particular time, according to his notation at the top, was
11 acting assistant secretary of defense. But it shows that on
12 January 7th there was a meeting at 2:00 o'clock with Hank
13 Gaffney, there was a brief interruption, he met again with
14 Gaffney.

15 And then again, it says, at 2:44 there was a meeting
16 with Glenn Rudd.

17 As best as you can recall, does that make sense, that
18 you met with him on that day?

19 A It does.

20 Q If you look then at the next day, the next entry with
21 your name I believe is on Thursday, January 9th at 1:00 p.m.,
22 we have Mr. Koch meeting with Glenn Rudd. Is that correct as
23 you read that?

24 A Yes.

25 Q I believe we look at the next day, on Friday,

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1 January 10, we see that at 2:40 there was a meeting that Mr.
2 Koch had with you. And beside 2:40, it has the name Glenn
3 Rudd.

4 Then if you look on Tuesday, January 14th, there is
5 a meeting at 10:52 that Mr. Koch has with Glenn Rudd.

6 Are you able to recall any other period in this time
7 frame when you would have met over the course of a week or so
8 four times with Mr. Koch?

9 A No.

10 Q Now, while I don't want you to feel obligated to give
11 us an answer that you don't believe is correct, would you
12 accept Mr. Koch's characterization that these discussions took
13 place in this period in January, rather than in the first ten
14 days of February?

15 A Yes, based on the information that you have showed me,
16 I would accept that.

17 Q Okay. Let's go then to actually what transpired in
18 these discussions with Mr. Koch. The first time you meet, what
19 happens? Did he call you?

20 A Yes.

21 Q And did you discuss things over the phone or did he
22 say, come to my office?

23 A Yes, I went to his office.

24 Q And what do you recall transpiring when you got
25 there?

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1 A He indicated that he was searching for information
2 with respect to the legalities and the practicalities of the
3 U.S. replacing 4,000 TOW, basic TOW missiles, if Israel shipped
4 4,000 basic TOW missiles to Iran.

5 Q Do you recall there being any discussion of a price
6 tag for those 4,000?

7 A He indicated that the deal was being considered, was
8 4,000 TOW missiles for \$12 million.

9 Q And I believe you told us before that you immediately
10 questioned the \$12 million for 4,000 TOW's because that would
11 work out to about \$3,000 per ton, is that correct, sir?

12 A Yes, that's right.

13 Q And did you indicate to him what you thought might
14 be a more appropriate price for a TOW?

15 A I think at that meeting I said I would go look and
16 see what prices we had ever sold basic TOW's for. I knew it
17 was more than -- I think I may have said it would be double
18 that and more, or something like that.

19 Q All right, sir. And then at that first meeting do
20 you recall anything else being discussed?

21 A No.

22 Q You then went back to your office and began to check
23 on TOW prices, is that correct?

24 A That's right.

25 Q Was there then a subsequent meeting that followed

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1 shortly thereafter?

2 A Based on this, there were three more, although I
3 certainly can't remember all three of them, what was said at
4 each one of the three, because I didn't think there had been
5 that many.

6 Q But at either the next meeting or one of these
7 meetings shortly thereafter, you had gotten some data on TOW
8 missiles and you communicate that back to Mr. Koch, is that
9 correct?

10 A That's right.

11 Q What did you find, do you recall?

12 A Well, I looked for two things. One was, did the
13 Army have 4,000 basic TOW's available that it could supply from
14 its inventories without a world of hurt, and the answer to that
15 was yes.

16 And I looked to see what was the cheapest that we had
17 ever sold a basic TOW for, and to the best of my recollection
18 it was about \$6800.

19 Q And to whom had we sold that basic TOW?

20 A I think that one was to Israel.

21 Q And had that been some years before?

22 A Oh, yes, because we had not recently sold any basic
23 TOW's. We had been selling I-TOW's.

24 Q To make sure that we have the record clear, that
25 figure of \$6800 was for the basic TOW and not for I-TOW's or

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1 TOW-II's?

2 A That's right. Now, I have not gone back and rechecked
3 that number since we met before in May. That's still the best
4 of my recollection, but I think it's close.

5 Q All right, sir. At that time, had Mr. Koch told you
6 to check for basic TOW's?

7 A Yes, specifically.

8 Q When you told him that the cheapest we had sold a
9 basic TOW for was about \$6800, do you recall what his reaction
10 was?

11 A No. I don't think -- it wasn't surprise or shock
12 or we've got to do better or anything like that. I was focused
13 more on, again, the practicalities of providing 4,000 basic
14 TOW's to Israel under a straight FMS sale to replace what I
15 knew would be a transfer to Iran if it were to go through. So
16 I wasn't focused on the price except to tell him that's way
17 off.

18 Q Did you tell him that there was no way you could
19 provide 4,000 TOW's for \$12 million, and in fact if you do the
20 arithmetic would be some other figure?

21 A Yes.

22 Q Do you recall what that figure was, or whether you
23 gave him a ballpark?

24 A Ballpark. The ballpark, I said it would depend on
25 whether we priced it for the replacement price of an I-TOW,

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1 which would be somewhat over 8,000, which would make the deal
2 a little bit over \$30 million; that if we sold them out of
3 stock without replacement, we had a certain latitude to reduce
4 the price for age and condition, but there was no way we could
5 possibly go that low.

6 Q So as I recall it, you said --

7 A Not under FMS.

8 Q It would have been somewhere in the neighborhood of
9 \$25 to \$30 million for the basic TOW, for 4,000 of them; and
10 if there were a price discount due to the shelf life of some
11 of these old TOW's which had been in the inventory a while, the
12 price could come down below that?

13 A I never thought through how much or tested it or
14 anything else, but there was that provision in the accounting
15 manual which would provide a reduction for age and condition
16 if they were not to be replaced.

17 Q But you made clear to Mr. Koch that by no means would
18 it get down, you thought, as low as \$12 million?

19 A Yes, I'm sure I did. Again, that's not where I was
20 focused.

21 It's the accounting manual which lays out how you
22 price FMS sales.

23 Q Did Mr. Koch tell you there was a \$12 million ceiling
24 on this transaction?

25 A Not to my recollection.

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1 Q Did you get the sense it was an amount of \$12 million
2 that was being worked with or looked at?

3 A Well, he told me that was what was being considered,
4 was 4,000 TOW's for \$12 million. I just said no way.

5 Q Did it happen, then, that you had a discussion with
6 Mr. Koch about the issue of Congressional notification?

7 A Yes.

8 Q Did you tell him that if you couldn't get the price
9 down below the \$14 million as the threshold, that the Congress
10 would have to be notified?

11 A Probably.

12 Q Do you recall any discussion to the effect of, if
13 the Congress were notified the Israelis were buying basic TOW's,
14 that it would be transparent to the experts on the Hill, because
15 they knew that Israel was already buying TOW-II or I-TOW
16 missiles?

17 A Yes, I initiated that. You're correct up to the
18 point where you say they were already buying I-TOW or TOW-II.
19 I'm not sure that they were buying those, but if they were
20 going to buy a TOW they certainly would have bought I-TOW at
21 least, and probably TOW-II.

22 Q So if someone were on the Hill and made aware that
23 the Israelis were buying basic TOW, what did you tell Mr. Koch
24 would be the possible inference they would draw?

25 A That they were replacing a shipment they made to

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1 Iran.

2 Q Did you say Iran or did you say some other country?

3 A I'm sure I said Iran in that case, because I think
4 it was clear to me by that time that that was the thought
5 process.

6 Q Do you recall any discussions in this session with
7 Mr. Koch about hostages?

8 A I recall that he did mention the hostages.

9 Q Did he say this matter had White House interest?

10 A He did.

11 Q And did you inquire further into that?

12 A No.

13 Q You didn't ask him who at the White House?

14 A No. I think he said NSC, I think.

15 Q At this point, did Mr. Koch mention General Powell?

16 A No.

17 Q Did he mention Secretary Weinberger?

18 A No.

19 Q And did he mention any issue of a presidential finding
20 pursuant to which these transfers might take place?

21 A No.

22 Q When you made the assessment about the threshold of
23 \$14 million and the Congress would perhaps have to be notified
24 and that might appear transparent to certain people, did you
25 then offer a judgment or any recommendation about the modality

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1 of transfer if the intent of the White House were to give TOW
2 missiles to Iran?

3 A Yes. I said the only possibility of covering,
4 keeping the transaction secret, would be through black channels.

5 Q And what does that mean?

6 A That means for CIA to buy them and ship them.

7 Q From the Army?

8 A From the Army.

9 Q And then the CIA could transfer them abroad?

10 A That's right.

11 Q Do you recall any response that Mr. Koch gave you
12 to that suggestion?

13 A Not really. Certainly, I think he, as I recall -- no,
14 I don't recall whether he agreed that it was -- it just didn't
15 make any sense to do it through FMS channels. I don't know
16 whether he said that or not.

17 Q Was there a point at which Dr. Gaffney gave you any
18 input on pricing data or availability of TOW missiles?

19 A I don't recall that he did during that stage at all.
20 I don't recall any involvement with Hank.

21 I got my information on basic TOW prices out of our
22 controller shop, out of reports from there, without telling them
23 why. I got my information on availability of Army assets from
24 Bill Jackson, who I think by that time had a pretty fair idea
25 why I was asking it. But we didn't talk about it much.

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1 Q Who is Bill Jackson?

2 A He's the deputy chief of military assistance for the
3 Army on the Army staff.

4 Q Was there a point of which you worked up a point
5 paper similar to the point paper on Hawk missiles to Iran
6 Dr. Gaffney had done back in November of '85, with regard to
7 TOW missiles for Iran in early '86?

8 A There was not in early '86. I talked to Hank just
9 today about that, and he recollected for me, and I think he's
10 right, that in the meeting with Armitage, that he had worked up
11 a point paper which had to do with TOW's that -- and as best I
12 can picture it -- there was only a little bit of information
13 about TOW's.

14 Most of the information was about the legal process
15 I talked about, you know, 36(b), section 614, and so forth.
16 And I believe at this stage that we gave that point paper to
17 Rich Armitage.

18 (Discussion off the record.)

19 MR. SAXON: Let's go back on the record.

20 BY MR. SAXON: (Resuming)

21 Q Mr. Rudd, to the best of your recollection was there
22 a point paper worked up by anyone in this time period we're
23 talking about with regard to the TOW's, that would be either as
24 a TOW paper for Mr. Armitage in late '85 or for Mr. Koch in
25 early '86?

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1 A After discussing this with Gaffney today, I am
2 convinced that there was a TOW paper which at least discussed
3 TOW. I recall it discussing legal matters, more than TOW.
4 That was prepared for Armitage in '85.

5 There was no paper that I'm aware of that was prepared
6 for Koch in '86.

7 Q And the paper that was prepared for Armitage, do you
8 recall who would have prepared that paper?

9 A I believe that Gaffney prepared it.

10 Q And do you recall having ever been given a copy of
11 that paper by Dr. Gaffney?

12 A I think probably the original.

13 MR. SILBER: I'm sorry, which paper? The Hawk paper?

14 THE WITNESS: No, he's talking TOW.

15 MR. SAXON: That's correct, the TOW paper.

16 MR. SILBER: That you saw the original of, Gaffney's
17 TOW paper that he had written?

18 THE WITNESS: Again, it discussed mostly legal matters,
19 not TOW's.

20 BY MR. SAXON: (Resuming)

21 Q And were you given that to transmit to someone or
22 did he just show it to you?

23 A He said today -- and I would not argue -- that I took
24 it and I gave it to Rich.

25 Q All right. I'd like for you to look at what I will

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26

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1 ask be marked as Deposition Exhibit 2, which is a handwritten
2 note on the letterhead of the Office of the Assistant Secretary
3 of Defense for International Security Affairs. This is a note
4 prepared by Noel Koch last spring, which I believe he dates
5 some time in April when he's trying to recall some of these
6 transactions.

7 (The document referred to was
8 marked Rudd Exhibit No. 2 for
9 identification.)

10 Q I don't ask you to vouch for the accuracy of anything
11 that's contained in it, but I would direct your attention to
12 numbered item 4. It says "TOW paper locked in RLA safe;
13 wouldn't let Rudd keep copy."

14 Now, what Mr. Koch has told us in his deposition is
15 that "RLA" stands for Richard L. Armitage; and he explained
16 that it was his understanding that Mr. Armitage had the point
17 paper, he locked it in his safe, and did not let you keep a
18 copy.

19 To the best of your recollection, does that seem to
20 be an accurate statement?

21 A Yes.

22 Q Do you recall giving Mr. Armitage the TOW point
23 paper?

24 A I don't, but I think I did.

25 Q Do you recall ever having asked for a copy of it?

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27

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1 A No.

2 Q Do you recall Mr. Armitage ever saying you could not
3 have a copy of it or would not be allowed to keep a copy of it?

4 A He may have said something to the effect that there
5 would be no copies.

6 Q Do you recall ever discussing this issue of a TOW
7 point paper which you provided, you believe, to Mr. Armitage,
8 discussing that with Mr. Koch at a later date?

9 A No.

10 Q Now, after you had your discussions with Mr. Koch in
11 which you provided him the best price data you were able to
12 come up with on TOW's and you discussed the issue of
13 Congressional notification, you discussed the issue of whether
14 the way to effect such a transfer would be for the Army to
15 transfer them to the CIA and for the CIA to perhaps sell them,
16 did you at that time have any working notes that you had come
17 up with with these prices and data?

18 A I had a handwritten paper which had the inventory,
19 Army inventory, of basic TOW, I-TOW, TOW-II.

20 Q What happened to those notes?

21 A I through them away some time in the summer of '86.

22 Q Long before these matters became public?

23 A Yes.

24 Q And did you do anything after providing Mr. Koch
25 this information and having the discussion that you have just

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28

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1 testified to and which I just recounted, did you have any
2 involvement with the TOW issue?

3 A No.

4 Q Did you keep track after a while to see if there had
5 been any TOW's moving around the world?

6 A I would say yes, that we got [REDACTED]
7 reports from time to time on arms transfers moving. I looked
8 with some interest as to whether there were any TOW's moving.
9 But the only thing that I ever saw that looked like it might
10 possibly be tied into it was when the Israelis were captured
11 in Bermuda and put in jail in Bermuda.

12 MR. SILBER: Arrested.

13 THE WITNESS: Arrested.

14 BY MR. SAXON: (Resuming)

15 Q At any point, did Mr. Koch ever tell you that this
16 had to be done in a way to prevent the Congress from being
17 notified?

18 A No, I wouldn't say so. I think it was as clear to me
19 as to him that if it took place at all, it should take place
20 under absolute secrecy.

21 Q When you got with Mr. Koch in subsequent meetings,
22 either the second time or later when you met with him on these
23 issues, did you get the impression at some point that the
24 Israelis were involved in these transactions?

25 A There was no question, because the whole course of

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1211

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29

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1 discussion had to do with providing TOW's to Israel to replace
2 TOW's that they would ship to Iran.

3 I also got the impression that there were Israelis
4 involved in negotiations to release the hostages.

5 Q Just so we make it clear in the record, the discussion
6 with Armitage in late '85 were for direct sale to Iran, is that
7 correct, sir?

8 A Correct.

9 Q And then the discussions with Koch, the destination
10 was Iran, but the discussion was going through Israel?

11 A Israel would ship, we would replace.

12 Q Was it your sense at any point that Mr. Koch was
13 sort of shopping around in order to find the most favorable
14 way to do this?

15 A Oh, sure, I think so, if he was going to do it at all.
16 I mean, if it was going to be done at all.

17 Q In your discussion with Mr. Koch, did he ever mention
18 the name Colonel Oliver North, Lieutenant Colonel North?

19 A No.

20 Q Did he ever mention that he had been involved in
21 negotiating with the Israelis on the price for TOW missiles?

22 A No.

23 Q Did he ever mention the name of Abraham Ben Yosef?

24 A No.

25 Q Did he ever mention the name General Menachim Meron

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30

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1 of the Israeli Ministry of Defense?

2 A No.

3 Q Did you receive any instructions for any kind of
4 follow-up or execution from Mr. Koch?

5 A No.

6 Q And is it your recollection that at any time after
7 your discussions with Mr. Koch that you briefed General Gast
8 on these matters?

9 A I'm not sure. I may have. I guess in placing this
10 in January instead of February, I would say there was more
11 likelihood that I did than I had thought when we met before,
12 because I told you I took a trip very quickly thereafter, but
13 there was nothing to act on.

14 I may have and I may not have.

15 Q Let me see if I can help in that regard, and I have
16 no independent information on whether you did or didn't. But
17 you've had these discussions with Mr. Koch, if we are to believe
18 his testimony and his records. And as we've tried to, with
19 everybody's best efforts in mind, date these events, you would
20 perhaps have been discussing these matters with Mr. Koch at
21 the same time that General Gast was present.

22 So you would not have had the normal, he comes back
23 into town, I brief the boss on what's transpired. But these
24 are fairly sensitive matters and it involves topics, as you
25 said earlier, there may have been an embargo, there may have

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31

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1 been some legal complications with notifying the Congress.

2 Does any of that refresh you in any way as to whether
3 you went over that ground with General Gast after any sessions
4 with Mr. Koch?

5 A No, it doesn't. I'm not sure. I brief him on almost
6 everything, but I may not have on this one, because I knew it
7 was highly, highly sensitive.

8 Q Did Mr. Koch ever tell you on whose authority he
9 was acting or who had tasked him with this mission?

10 A He only mentioned the NSC.

11 Q You do think he mentioned the NSC?

12 A I think he mentioned the NSC during one of the
13 meetings, that we had NSC interest. That did not make it a
14 reality. I mean, I didn't know that it was going to happen.

15 Q And to your knowledge, prior to these matters becoming
16 public were you ever made aware by Mr. Koch or anyone else that
17 any arms had gone to Iran?

18 A No.

19 Q Did you ever see him on any subsequent matter and
20 ask him, oh, by the way, Noel, whatever happened to that thing
21 they were talking about?

22 A (Nods negatively.)

23 Q Your answer is?

24 A I didn't, no.

25 Q When we talked with you before, you mentioned

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32

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1 unauthorized third party transfers. This was in our interview
2 session which Mr. Kreuzer and I had with you.

3 Tell us what you mean by unauthorized third party
4 transfers and how that works and whose approval is needed, and
5 so forth, in the normal course of DSAA's business?

6 A Well, as I said, section 3(d) of the Arms Export
7 Control Act precludes us from -- precludes the State Department
8 from approving a third country transfer to a country that we
9 would not sell to directly. It's State Department's authority
10 to approve or disapprove third country transfers.

11 If a country is not eligible for sales, then it's
12 also not eligible for third country transfer. Conversely, if
13 it is eligible for third country sales, then I would assume
14 the President could make such a country eligible; if there was
15 no law that said it wasn't, then it would be eligible for third
16 country transfers.

17 Q Let me ask you about the approval process for there
18 to be a transfer from a recipient country under FMS sales to
19 a third party or to a third country. Suppose we sold TOW
20 missiles to Israel under an FMS sales agreement. There would
21 be a contract, would there not, which contains a provision --
22 in fact, I think it's numbered paragraph 9 -- that says the
23 recipient country must get the approval, as a condition of this
24 contract, of the United States before they transfer to another
25 country; is that correct?

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33

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- 1 A That's right.
- 2 Q And does that contract indicate whether that approval
- 3 must be in writing?
- 4 A Yes, it would be.
- 5 Q It does say that it must be in writing?
- 6 A I would think so. I don't know. I haven't read it.
- 7 MR. SILBER: Are you referring to (b) (9)? There's
- 8 an (a) section and a (b) section.
- 9 MR. SAXON: Yes.
- 10 MR. SILBER: The purchaser's obligations.
- 11 THE WITNESS: I think the answer is yes, it has to
- 12 be in writing.
- 13 BY MR. SAXON: (Resuming)
- 14 Q And the approval, as I understand it, in the statute
- 15 rests with the President, but by executive order he has
- 16 delegated that to the Secretary of State, right?
- 17 A That would be right.
- 18 Q Are you aware of any requests -- this would not have
- 19 come to you in DSAA, but since you deal with and talk with
- 20 State Department officials on these matters regularly, are you
- 21 aware of any request that was made to the State Department in
- 22 late 1985 or early 1986 for approval by the Secretary of State
- 23 of transfers by Israel of Hawk missiles or of TOW missiles to
- 24 Iran?
- 25 A No.

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14

1 Q What are the penalties for violating the prohibitions
2 on third party transfers?

3 A I'm not sure what the statute says on that, except
4 that unauthorized transfers have to be reported to the Congress.
5 I'm not sure that there's a specific penalty in the statute of
6 what happens once it is reported to the Congress.

7 Q Does the potential exist for the recipient nation to
8 be shut off completely from future sales?

9 A Yes.

10 MR. SILBER: That of course could be done as a matter
11 of policy.

12 THE WITNESS: That's the potential, yes.

13 MR. SILBER: You understand?

14 MR. SAXON: Sure.

15 BY MR. SAXON: (Resuming)

16 Q From time to time since 1982, have you seen reports
17 that alleged or speculated that Israel was selling arms to
18 Iran?

19 A I've read about it in the papers.

20 Q I believe when we talked with you before you gave us
21 an example, turbo-fan blades for F-4 engines, is that correct?

22 A Well, what I said was that, as a part of Operation
23 Stealth or as a part of our own suspicions, that we reviewed
24 Israeli contracts -- Staunch, that's Operation Staunch. Israeli
25 contracts are provided to us for financing, and we reviewed

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35

1 them with the objective of seeing that they met Israeli
2 requirements and were not just being bought for sale to anybody,
3 including Iran.

4 We particularly looked at the fan blades, as you
5 said.

6 Q To the best of your knowledge, was there ever any
7 conclusive proof that the Israelis were selling arms to Iran?

8 A No, we didn't establish anything.

9 Q Is it fair to say, though, that both at the State
10 Department and at the Pentagon the issue of arms sales to Iran
11 during this time period was one that concerned you as policy
12 makers?

13 A Yes.

14 Q And by mentioning Operation Staunch, is it your
15 testimony that there was an Administration policy that we would
16 put pressure on our allies not to sell arms to Iran?

17 A Oh, yes.

18 MR. SAXON: I think those are all of the questions I
19 have on the topic of Hawk's and TOW's to Iran. There are one
20 or two other miscellaneous things I want to address. So let me
21 see if Joe, Roger, or Bob have anything further.

22 EXAMINATION BY COUNSEL FOR THE HOUSE SELECT

23 COMMITTEE

24 BY MR. KREUZER:

25 Q Can we go back to the time of, say, approximately

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36

1 6 December '85, when you think possibly you may have met with
2 Mr. Armitage. Is it your recollection that a TOW point
3 paper similar to Dr. Gaffney's Hawk point paper was in
4 Mr. Armitage's possession at that time?

5 Did you give it to him or was it given to him by
6 somebody else? Do you recall his having the point paper?

7 A I think I gave it to him. And again, I say it
8 mentions TOW's because Hank said it mentions TOW's, and I will
9 accept that. I don't recall what it said about TOW's at all.
10 I do recall there was considerable discussion on the legal
11 aspects of the transfer that was in the paper.

12 Q Now, in this discussion -- is Mr. Armitage an
13 attorney by training?

14 A Not to my knowledge.

15 Q And are you an attorney?

16 A No.

17 Q But you were discussing the legal aspects as you knew
18 them between yourselves?

19 A As best we could.

20 Q From previous, maybe, experience?

21 A That's right.

22 Q And the objective of the TOW point paper or whatever
23 point paper this was -- we'll say you don't specifically
24 remember it being TOW, but whatever point paper it was -- was
25 there an indication that this was going to be used for

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37

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1 something in the near future by Armitage?

2 A I didn't know.

3 Q He didn't say anything about that?

4 A No.

5 Q But it was a completed paper? It was in final form?
6 It was neatly typed or prepared, it was signed?

7 A That's right -- no, it wasn't signed.

8 Q But it was a point paper, a standard point paper?

9 A That's right. I recall in paragraphs that I recall
10 it at all.

11 Q Was he talking about -- did Mr. Armitage discuss
12 whether or not the paper was supposed to have a positive flavor,
13 a negative flavor? Did he make any comments on what kind of
14 terms it was to be couched in?

15 Did he suggest who wanted it, who had requested it?

16 A No.

17 Q As far as the legal aspects of it, do you recall
18 generally, was the discussion about policy or statutes or all
19 of those things?

20 A I recall it as being what would be the legal
21 ramifications of a direct sale to Iran of Hawks or TOW's. Now,
22 I don't think that paper, that particular paper that we're now
23 discussing, mentioned Hawk at all.

24 Q Just TOW's?

25 A Yes. But the discussion had to do with Hawk and TOW,

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38

1 as I recall.

2 Q Do you recall that the paper discussed anything about
3 reporting sales that exceeded a certain dollar threshold?

4 A I'm sure that section 36(b) was mentioned in it, yes.

5 Q You saw Dr. Gaffney's point paper on Hawks?

6 A I saw it, but I haven't read it for quite some time.

7 Q Could you assess whether or not this paper resembled
8 that point paper on Hawks in format and approach?

9 MR. SILBER: Do you want to show him a copy of the
10 Gaffney paper to refresh his recollection?

11 MR. SAXON: Let's go off a second.

12 (Discussion off the record.)

13 THE WITNESS: I think Hank prepared both of them, so
14 I suspect the answer is yes.

15 MR. SABA: We're going back on the record now.

16 BY MR. SABA:

17 Q Mr. Rudd, we have placed a document before you which
18 will become Exhibit 3. It is called "The Hawk point paper."

19 (The document referred to was
20 marked Rudd Exhibit No. 3 for
21 identification.)

22 Q We ask you to review it and tell us if you are
23 familiar with it.

24 (Pause.)

25 A Yes.

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39

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1 Q And how are you familiar with it?

2 A I was aware of it, have been aware of it for some
3 months, and I am familiar with it in detail. I have again
4 recently read it.

5 Q Do you recall if, on or about the 25th or 26th of
6 November 1985, upon returning to the office from a leave, if
7 Dr. Gaffney, who had been the acting director in your absence
8 and in General Gast's absence, briefed you about a request he
9 had received to provide information concerning Hawk missiles
10 to General Powell?

11 A I don't think that he said anything to me about
12 Colin Powell. I think he briefed me. I don't recall any name.
13 I know that Colin was involved, but I don't know that he said
14 that.

15 Q Do you recall that the week of the 19th of November
16 you were in Hawaii at a conference?

17 A Right.

18 Q And this would have been upon your return from that
19 conference in Hawaii?

20 A Yes.

21 Q And thinking back on the days after your return, you
22 recall that Mr. Gaffney briefed you on the matters discussed
23 in this point paper?

24 A Yes.

25 Q Could you give us your best recollection of that

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40

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1 briefing? Did he provide you a copy of this paper?

2 A No.

3 MR. SILBER: By "provide" you mean give him a copy?

4 THE WITNESS: I'm not even sure I read it at the
5 time.

6 BY MR. SABA: (Resuming)

7 Q Did he tell you of the existence of a point paper?

8 A Not that I can recall.

9 Q Do you recall what he told you about the matter?

10 A I am only barely sure that he briefed me at all. If
11 he said he did, he did. But I don't recall any discussion with
12 him on it.

13 Q All right. Calling your attention then to the first
14 week of December 1985, can you tell me if there came a time
15 when you received a request to participate in the drafting of
16 a paper concerning the provision of TOW missiles to Iran?

17 A I'll accept either that Armitage asked me to draft
18 a paper and I had Gaffney draft it or that somebody asked
19 Gaffney to draft a paper and he drafted it and I reviewed it
20 and gave it to Armitage. I think the last one was the case,
21 but I'm not sure.

22 Q Is it possible at that time that someone provided you
23 or gave you the document in front of you marked Exhibit 3 as an
24 example of what was required?

25 A I don't recall. It's possible.

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41

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1 BY MR. SAXON: (Resuming)

2 Q Do you recall any cut and paste effort where you
3 might have taken this point paper on Hawks and plugged in some
4 new figures and borrowed some language and done what we would
5 all think of as a cut and paste effort, sort of a hurried, under
6 the gun effort to get something finished?

7 Does that refresh you in any way or does that ring
8 true in any way?

9 A That is not my recollection of it. That's not my
10 recollection of it.

11 My recollection of it is a different format, more
12 concentrated on the legalities, with a little information at
13 the top on TOW availability, nothing on the policy aspects
14 that's on the second page of this.

15 MR. SILBER: You think it was a one page paper?

16 THE WITNESS: I think it was two, but I'm not sure.

17 MR. SAXON: Let me ask that this be marked as
18 Exhibit 4 and give you a copy of this, Mr. Rudd, and give you
19 a moment to look at it. These are the handwritten notes in
20 his daily log of actions he is working and requirements, that
21 Dr. Gaffney maintains in the normal course of his business.

22 And I would ask you to flip over if you would and
23 look at the entry at page 55, 6 December '85, and you'll see
24 that in the upper left hand corner.

25

(The document referred to was

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42

marked Rudd Exhibit No. 4 for
identification.)

BY MR. SAXON: (Resuming)

Q I would ask you to look at the precise listing that
says I-TOW, TOW-II, TOW-II replacement price, weight, lead time,
and so forth, and ask you to read that.

A Okay.

Q Then you will see the number of 3300, which Dr.
Gaffney tells us is a quantity of TOW missiles that he was
looking at and asked to work on, and a figure of \$11,000, which
is the price he plugged in for I-TOW or TOW-II replacement.

A It would be TOW-II replacement.

Q And I simply ask you if any of these figures look
familiar and if you recall any discussions with Dr. Gaffney
about any of these figures?

A Unh-uh.

Q That's a no?

A That is a no.

Q Do you recall him giving you any information along
these lines that you might have then transmitted to Mr.
Armitage?

A It's very possible that the paper that we have
established existed had these numbers in it, that's possible.
That's why I don't think I prepared the paper.

Q But your best recollection today is that these

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43

1 particular entries have no real meaning?

2 A No.

3 BY MR. SABA: (Resuming)

4 Q Just to review, and I apologize if the question has
5 been asked you, in testimony before the DAIG General Powell
6 indicated that in late 1985 he had been provided information
7 concerning price and availability of TOW's, and he indicated
8 that he had been provided several prices.

9 He named DSAA in particular. Were you the person to
10 whom he addressed any inquiries concerning TOW's or Hawks?

11 A No.

12 Q To your knowledge, did you provide any information,
13 either directly to General Powell or through another person,
14 concerning pricing for TOW's or Hawks in this period?

15 A Well, I think I will -- again, I believe that the
16 paper that was provided to Armitage had TOW information in it
17 and very well could have had the price and availability of the
18 TOW's in it, yes.

19 BY MR. SAXON: (Resuming)

20 Q And I believe you already testified that you did
21 provide the TOW pricing data to Mr. Koch?

22 A Well, I certainly did that in what we've proved to
23 be January, I guess. But I never provided anything to Colin
24 Powell, not as I recall now.

25 BY MR. SABA: (Resuming)

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44

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1 Q Whether in November or December of '85 or January of
2 1986?

3 A Never, never talked to Colin Powell.

4 Q Mr. Rudd, can you tell us if in the normal course of
5 events someone at the NSC wanted to obtain pricing information
6 and availability of TOW's and Hawks, who would they call at
7 the Department of Defense?

8 A Well, in the normal course of events, depending on
9 how high the level was that wanted it and who made the phone
10 call, they very well could call right to GSA and say, you know,
11 what's the price of a TOW.

12 Q Would DSAA be the likely agency to whom an inquiry
13 would be directed?

14 A Either directly from NSC or indirectly through the
15 chain, yes.

16 Q The inquiry would not more likely go directly to the
17 Army?

18 A No, not from NSC.

19 Q Are inquiries from NSC received routinely concerning
20 pricing and whereabouts of weapons?

21 A Oh, no, I wouldn't say so.

22 Q In your experience at DSAA, how many inquiries coming
23 from NSC about price and availability of weapons do you recall?

24 A None specifically. I imagine there may have been
25 phone calls staff officer to staff officer. Very infrequently.

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45

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1 Q So perhaps from your point of view, at this time
2 this was a very unusual event?

3 A Oh, sure.

4 Q This was a very unusual course of business.
5 Have you ever had access to the paper which
6 Secretary Armitage eventually came to acquire on the TOW's in
7 December of '85?

8 A Did I have access to it? Yes, I think I handed it
9 to him.

10 Q Did you keep any copies? Do you have access now?

11 A No. I have no idea where it is.

12 BY MR. SAXON: (Resuming)

13 Q Have you made any inquiry to Mr. Armitage about the
14 existence of the TOW paper?

15 A No.

16 Q I've got a couple questions for you about security
17 assistance and what, for lack of a better term, let me call
18 quid pro quo arrangements with the recipients of security
19 assistance. And what I've got in mind is to leave the Iran
20 side of the Iran-contra affair for a moment and ask a question,
21 too, as we did when we interviewed you before, about the
22 contra side.

23 Are you aware of any effort in your capacity as the
24 deputy director of DSAA in recent years for the United States
25 Government to use security assistance as an inducement or a

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46

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1 reward to the recipient country for that country's having
2 provided aid to the contras during the period when United
3 States Government funds were prohibited for such aid?

4 A No.

5 Q Are you aware of any effort by a recipient country
6 or a would-be recipient country of security assistance to try
7 to use that nation's aiding the contras as leverage to extract
8 from us security assistance?

9 A Would you repeat that? My mind wandered. I think the
10 answer is no, but --

11 Q I apologize, it was a big verbose.

12 Are you aware of any efforts by recipient nations of
13 our security assistance or those countries that would like to
14 receive it to use their aiding the contras during the time
15 when the United States couldn't due to the Boland amendment
16 as a lever to try to extract from us security assistance?

17 A No.

18 Q Would your answers of no on both counts encompass
19 the recent discussions about the provision of F-5's to
20 Honduras?

21 A Would they encompass them? Oh, sure.

22 Q To the best of your knowledge, there has been no
23 effort for the United States to link our providing aid either
24 as a reward for the Honduran government's helping the contras
25 or as an inducement for them to do so?

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47

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1 A No.

2 Q Are you aware of any effort, through FMS sales or
3 other forms of security assistance, by the United States to
4 get equipment, arms, to the contras by having a recipient
5 country inflate their request and then we would provide them
6 more than they need and some portion of that would go to the
7 contras?

8 A No, other than what you mentioned as a possibility
9 back in May.

10 Q And I believe you and Mr. Silber were going to check
11 into that, and what did you find in that inquiry? Let me say,
12 we've been provided that by Mr. Silber, but for the record we
13 could have a statement of what was found.

14 A I think that what was found -- and you can affirm
15 this, Jerry -- is that we didn't even make a sale to [REDACTED]
16 during that period.

17 BY MR. SAXON: (Resuming)

18 Q That's correct. We had asked you about allegations
19 that had been raised by a Mr. William T. Goldman, retired Army
20 warrant officer, who said that he recalled during the time
21 period that he was part of the military operation known by the
22 code name Yellow Fruit that he had seen a concept paper in
23 1982 or '83 which talked about inflating FMS sales to
24 [REDACTED] and then some portion of what was provided would be
25 diverted to the contras.

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48

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1 We asked you to look into that, and you're saying for
2 the record that you found that we have not even sold anything
3 through FMS sales to [REDACTED]

4 A During that period of time.

5 MR. SILBER: That's not to say that there wasn't a
6 concept paper..

7 BY MR. SAXON: (Resuming)

8 Q Let me ask you as my final line of questions, have
9 you spoken with any investigating authorities about these
10 matters other than your appearance here today and the time when
11 Mr. Kreuzer and I interviewed you some weeks ago?

12 A Yes. I was interviewed by a gentleman from the
13 Special Prosecutor's Office.

14 Q Judge Walsh's office, the independent counsel?

15 A Yes.

16 Q And when was that?

17 A I'm not very good at dates. What was it, about two
18 weeks ago, maybe three weeks ago. Yes, three weeks ago.

19 Q Have you spoken to anyone else regarding these
20 matters?

21 A No. I talked to Dr. Gaffney today.

22 Q Have you been --

23 A And I talked to Rich Armitage yesterday morning very
24 briefly.

25 Q Who initiated that discussion?

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49

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1 A He did.
2 Q And what was the nature of it?
3 A He was trying to recollect the events of what turned
4 out to be December the 7th and what had been discussed.

5 Q And what did he say?

6 A His point, which he and I agreed on and apparently
7 Gaffney did not agree on, was that both TOW's and Hawks had been
8 discussed, and that the avenue of sale that was discussed at
9 the time would be direct to Iran.

10 He did not mention this TOW paper at the time, and I
11 did not either, because until Gaffney talked to me today I had
12 totally forgotten it existed.

13 Q To the best of your judgment, was there anything that
14 you would construe in Mr. Armitage's approach that would
15 suggest he was trying to get you to shade or color your
16 testimony in any way?

17 A Absolutely not.

18 Q Has there been anyone else within the Department of
19 Defense who you have discussed your testimony here today with?

20 A No.

21 Q I believe that that's all that I've got. Joe?

22 MR. SABA: That's all I have now.

23 MR. GENZMAN: I have nothing, thank you.

24 MR. SAXON: Let me say for the record, Mr. Rudd, that
25 we appreciate your being here today. You have done so

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50

1 voluntarily. Your testimony has been very helpful to our
2 Committees, and we thank you very much.

3 THE WITNESS: Thank you.

4 (Whereupon, at 5:34 p.m., the taking of the instant
5 deposition ceased.)

6
7
8 _____
Signature of the witness

9 SIGNED AND SWORN TO before me this _____

10 day of _____, 198 ____.

11
12
13 _____
Notary Public

14 My Commission expires:
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UNCLASSIFIED**CERTIFICATE OF REPORTER**

I, Michal Ann Schafer, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

Michal Ann Schafer
NOTARY PUBLIC

My Commission expires February 28, 1990

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GLENN Rudd

Exhibit # 1

~~2 pages~~ 2 PAGES

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Rudd

Exhibit #1

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Part 5, 3

DEFENSE SECURITY ASSISTANCE AGENCY

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12 Dec 86

Memo For

Record

The attached talking points were prepared by me, as Acting Director, DSAA, on or after 19 November 1985, at the request of Noel Koch and Gen. Colin Powell (then Mil. Asst. to SecDef). They were furnished to Mr. Koch to take to Gen. Powell.

H. H. Caffrey
 Dr Hank Caffrey
 695-5459
 4B730

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-- It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fawell and their minority counterparts, they might agree to splitting the sale into smaller packages.

- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

Declassified/Released on 23 June 1987

under provisions of E.O. 12356

By B. Roger, National Security Council

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POINT PAPER

Hawk Missiles for Iran

- Missiles are available right now, suitable for foreign sale. There are 164 missiles at Red River Arsenal - 77 intended for UAE and 87 for Korea. Seven of these are intended for tests, but the tests can be foregone.
- The missiles at Red River Arsenal cost \$300,000 apiece. This is not necessarily a firm price, and replacements could cost as much as \$437,000 apiece.
- Thus, the total bill for 120 missiles would be \$36-\$2.5 million. To this, applicable charges would have to be added (NRC cost, administration charge, packing and transport charges, plus storage).
- The missiles for Korea and UAE would have to be replaced, so DSAA will need the money to replace them.
- The modalities for sale to Iran present formidable difficulties:
 - Iran is not currently certified for sales, including indirectly as a third country, per Sec. 3 of the AECA.
 - Congress must be notified of all sales of \$14 million or more, whether it is a direct sale or indirect to a third country. The notice must be unclassified (except for some details), and the sale cannot take place until 30 days after the notice. The 30 days can be waived for direct sales, but the third country transfer has no such provision, and notice must still be given in any case.
 - Thus, even if the missiles were laundered through Israel, Congress would have to be notified.
- It is conceivable that the sale could be broken into 3 or 4 packages, in order to evade Congressional notice.
 - While there is no explicit injunction against splitting up such a sale (subject to check...), the spirit and the practice of the law is against that, and all Administrations have observed this scrupulously.
 - It is conceivable that, upon satisfactory consultation with Chairmen Lugar and Fawell and their minority counterparts, they might agree to splitting the sale into smaller packages.
- The customer countries (UAE and Korea) would have to be told that their deliveries had been rescheduled, but we would not have to tell them why. We would not want to charge them more for later deliveries.

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The political drawbacks are equally formidable:

- If Iraq ever found out, they would be greatly irritated. Their sources of supply are more readily accessible than Iran's, however, so there would be no effect in that respect.
- Saudi Arabia and the other Gulf States would also be irritated and alarmed.
- If Israel were used as the laundering country, they would be greatly encouraged to continue selling to Iran, and to expand their sales.
- If the sale became known, all bars would be removed from sales by such countries as Spain, Portugal, Greece, UK, Italy, and FRG, countries who are only barely restrained from overt, large sales to Iran now.
- In short, the risk is that of prolonging and intensifying the Iran-Iraq war, while seriously compromising US influence over Israel and other countries to restrain sales to Iran.

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SECRET

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✓ What worldwide stocks (in other countries)

DEFENSE SECURITY ASSISTANCE AGENCY

Memo for _____

• 500

• From where

✓ Cost?

Conceal
ult.
destinations

✓ How do I legally transfer? What notices?
\$ quant. Break into small pgs.:
detailed desc. sensitive technology.

✓ What countries can't I legally transfer to?

Reporting
ref. (30)

✓ What other countries might be sources?

Would we have to tell anyone?
If transfer?

How quick?

✓ If gave what 3rd try transfer restrictions?

Rudd Ex. #4



3106

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1. Find him
2. When available?
3. Notify Congress

DEPOSITION
EXHIBIT
#5

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By B. Reger, National Security Council

120 UAE produced
77 43
3108
3108

Red River
Aerial 77 (of which 3 had)
(Texas-Ark) 87 (of which 4)
164 300K

3108

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1. Find tom
2. When available?
3. Notify Congress
4. Prepare LOA



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By B. Roger, National Security Council

82-782

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3109

Partially declassified / reviewed
under provisions of E.O. 12958
B. Regier, National Security Council

21 NOV 85 35

1. How soon to produce?
2. How soon from good stocks?
how many days?
3. Legal question: strongest
terms.
LOA
Notice.
Above threshold
Why price mechanism doesn't work.
4. If to localize, have to do
sanctions for 2nd country.
Legal
Policy
5. Procedure
Local first - then look for it.
6. Who or how pay?
7. Repatriations: imp. other selling
countries.
8. How shipped?

Roswell is
not
agitated.
Told NSC
to come up.

DEPOSITION
EXHIBIT
#7

3110

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DEPOSITION
EXHIBIT
4

1. 100 to Israel
shipped two
weeks ago
2. 11 to Sweden
others delivered to
CF. others to
CF.

3107

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under provisions of E.O. 12356
By B. Reger, National Security Council

releasing unclassified information on 30 July 1991
under the provisions of E.O. 13526

55 DEC 65 UNCLASSIFIED

164 T-10W: TOW-II back?

87 TOW II replacement
price... wait meantime...

2200 which is long because

11,000 more being made

2200 Almost have to

3000 come out of Army

3400 inventory... What

schedule? T-Hawk: shipping

dates? Testing going on...

DEPOSITION
EXHIBIT

510

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82-732

RUDD, GLEN A. (See joint deposition with GAFFNEY, HENRY.)

@

